

China *weekly Review*

密勒氏
評論報

Outlook for China's

SMALL INDUSTRIES

REWI ALLEY

THE CHANGING COUNTRYSIDE

DUNCAN C. LEE

"THE SONG OF THE RED FLAG"

a play about China's workers

*Full text of LIU SHAO-CHI'S
SPEECH on LABOR DAY*

MAY 13, 1950

JMP 4,000

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of the China Weekly Review.

ADDLED EGG

To the Editor:

After reading "China's Northeast" by F. K. N. (Review, January 7), I am more than ever convinced that US policy in China and elsewhere is a long and painful fact of imperialism. America's world policy and actions have been sheer contradictions of truth and of democracy—she has been the frustrator of the United Nations instead of its founder; she has tried to monopolize atomic energy for war instead of for peace; her Marshall Plan has been for profitable trade and the militarization of western Europe instead of for relief and rehabilitation; the North Atlantic Pact is a scheme to prepare for World War III, not to provide security against it. All of America's scheming in the Balkans, in Norway, in the Mid-East, and in Japan, Korea, Southeast Asia and the Far East has been for war and dollars instead of for peace and security.

In China, America has been feeling that "the devil is twisting the tail" of her policy, but she has pretended it was the angels smiling on her. Thus, US China policy is like the saying that an egg may go as addled as it likes, so long as it keeps its shell. The trouble (for America) is that addled eggs break too.

CHINESE JOHN THE BAPTIST

Chungking
April 19, 1950

PEKING'S GANGSTERS

To the Editor:

For the transport workers in China, April 3 is a very important date. On that day the Government Administration Council abolished the age-old feudal system of gang labor, or hiring workers through foremen, and revolutionized China's transport work. However, the mere abolition on paper will not be the end of the system. Much work has yet to be done to complete this difficult task. In Peking, for example, there are three groups of gangsters.

1) The "Lu Pao" (綠包). Back in 1928 this group appeared at the Peking Railway Station. It included a number of rascals and ruffians. They harassed the passengers by stealing and swindling. Their leader, Han Ching-kai, worked with the special police during the Japanese occupation and under the KMT to cheat and oppress the passengers.

After the liberation of Peking, such unreasonable activities could not be tolerated by the people's government. Great improvement was made immediately in simplifying the process of handling tickets and baggage at the railway station so that the gangsters were unable to continue their work. Last July, the "Lu Pao" leaders summoned their gang together to make plans for destroying the baggage room at the railway station. The Public Safety Bureau persuaded them not to resort to extreme measures and dispersed the gang. However, the leaders did not want to change their tactics and instead they started browbeating taxicab chauffeurs, whom they forced to hand over 10 percent of their daily earnings. Gradually, they began to extort money from the ticket offices of taxicab companies and within two months they grabbed JMP500,000 in this manner. When they asked the drivers to double their payment, this was brought to the attention of the authorities and the gangsters were arrested.

Another group in the "Lu Pao" gang held up the pedicab drivers in the station areas. The gangsters themselves had no pedicabs but by sheer force they would grab someone else's

pedicab and get the business. Sometimes, they played practical jokes on their passengers. Once an old woman from Shantung was driven out and then back to the station but she had to pay JMP700.

2) The "Lo Chê" (羅車). There were about 30 in this gang who stole from passengers in pedicabs. Usually several "Lo Chê" would surround a passenger who had a great deal of baggage and they would run off with part or all of it.

3) The "Hu Chê" (猴車). This group operated in Tung Chiao Min Hang and acted as agents for prostitutes. After liberation, they moved to Tung Tan and Mi Shih streets where they tried to induce women to become prostitutes.

All of these reactionary organizations were ordered to be dissolved by the Public Safety Bureau on February 2.

As for the gang labor system, there are about 50 "Lu Pao" leaders still in existence in Peking. Each leader has from a score to a hundred workers under his control, and all of them exist by oppressing the workers and extorting part of the workers' pay. The "Lu Pao" leaders, First Golden Tiger and Second Golden Tiger, still occupy the Tien Chiao (Heavenly Bridge) area where no transport workers of other areas dare to work.

In order to eliminate once and for all this old feudalistic influence, the Peking Transport Workers' Union has started training the progressive workers and organizing them to do investigation work. The Kuang An Men Station transport workers held an accusation meeting against a big "Lu Pao" leader, Li Ming, who used to persecute the workers during the KMT days. Some of the smaller "Lu Pao" leaders have given in and have resolved to improve themselves through labor.

The most urgent task at present is to strengthen the workers' education and establish a transport workers' union all over the country. The workers will then rise up against their feudalistic oppressors. There is every reason to believe that this will soon be accomplished and the dreaded gang labor system will be abolished for ever.

P. Y. WANG

Peking
April 27, 1950

TRIP TO KAIFENG

To the Editor:

In order to carry out the interchange of new and old postal workers between northern and southern districts, I was recently transferred to Kaifeng from Changsha. I had left Kaifeng with a heavy heart in 1948, on the eve of liberation, but now it is with great pleasure that I return, because Kaifeng has become an old liberated area where many government policies and social changes have advanced further than in the newly liberated places.

At fifteen minutes past midnight, on April 12, express No. 74 pulled out of Changsha's east station. On the seat to my left, against the ventilator, sat a country woman with a package under her arm and a blue cloth over her head. Feeling the atmosphere in the train was very oppressive I turned to my neighbor:

"It is so stuffy, would you mind having the window open for a while?"

"All right!" she smiled.

"Where are you going?" I continued.

"Hengshan," was her reply.

"Hengshan?" I asked in surprise. "This train is bound for Wuchang!"

"Aiya! That's too bad!" and she jumped up grasping my arm. "Comrade, help me please. I must get off the train. I must get down!"

The train was travelling at full speed. Sweat appeared on the woman's forehead.

"Don't be afraid," I said, and continued reassuringly, "The train may stop at the north station. But if not I will certainly help you get another train for Hengshan."

Five minutes passed by and the express did stop at Changsha's north station. I helped the

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THE CHINA WEEKLY REVIEW

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The editorial pages present each week the opinions of the editor. The other pages of the *China Weekly Review* are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

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CAMPAIGN AGAINST ILLITERACY

A CAMPAIGN to wipe out illiteracy among China's workers within the next three to five years is to be formally launched by the Central People's Government at the beginning of next year. For the first time an organized and nation-wide attempt is to be made to teach the country's millions of illiterate workers to read and write. The significance of this undertaking cannot be overlooked when it is realized that from 80 to 85 percent of the country's population is estimated to be illiterate.

While the campaign will not begin officially until 1951, considerable groundwork has already been laid and, in a number of the larger industrial cities, spare time schools for workers have already opened. So far 2,000 such schools, with a total enrolment of more than 750,000, have been established.

Principal driving force behind the movement so far has been the All China Federation of Labor which, at a recent conference called to discuss the whole matter of illiteracy, mapped out a program for opening additional workers' spare time schools during each of the coming years. One of the decisions of the conference was that henceforth all government operated factories and mines would set aside funds equivalent to 1.5 percent of the payroll each month for establishment and maintenance of workers' schools.

Progress to date has been greatest in the Port Arthur-Dairen-area where workers attending schools learned an average of 600 to 700 characters during the first year of study. Some 80 percent of the area's illiterate workers had joined spare time schools by the end of 1948 and, by the summer of 1951, it is estimated, all workers will have become literate.

In Tientsin, the largest industrial center in North China, there are now 160 schools for adult workers with an enrolment of 40,000. One hundred and fifty new schools are scheduled to be opened before the end of next month in order to provide facilities for a further 30,000 illiterate workers.

In Peking 26 workers' spare time schools, with 29,500 students, have been established so

far. More such schools are scheduled to be opened each month during this year. In addition to learning to read and write, a number of subjects are being introduced in these workers' schools. Those attending the primary classes study six hours a week, receiving elementary instruction in Chinese, arithmetic and general knowledge. After three years they will be able to advance to middle classes, where subjects such as history, geography and natural sciences will be added to the curriculum.

Naturally such a program is not easy to set up and run. There are many problems and difficulties. Workers who have grown to adulthood without the slightest formal education frequently are slow pupils in the beginning. Sometimes they have such strong feelings of inferiority that it is difficult to get them into the spirit of learning. Many become discouraged because of initial difficulties with the complicated Chinese characters, while some—with the mark of the old feudal society still upon them—feel that learning is not for workers, that only the upper classes have the time and ability to obtain an education.

These and similar prejudices have to be overcome. Actually, however, the fact of the revolution itself has done much to sweep away the old ideas and give the workers new habits of thinking. Additionally, the important new role of workers, as exemplified in the activities of their labor organizations, also serves to shake the grip of the past.

Even so, the old ideas do not die easily and a great deal of encouragement must be given, especially to the more backward and conservative workers.

In Port Arthur and Dairen the inauguration of the study classes was preceded by a great amount of publicity designed to encourage the workers. Meetings were held at which labor leaders and others stressed the importance of becoming literate so as to make the fullest possible contribution to the new society. Individual workers were encouraged to get up and tell of past difficulties encountered because of their inability to read and write or because of their limited general knowledge. Some of the stories illustrated the disadvantages of being illiterate and unlearned so well that dramas were written about them and performed in the factories.

Gradually the workers began to understand the connection which existed in the past between illiteracy and the old exploitation. A worker, for instance, who could not read and write and whose general knowledge was low in the old days was more easily tricked and cheated by the factory foremen and supervisors than was a literate worker. Unable to read, he could not know the details of the labor contract he agreed to and, because he could not figure or keep written records, he was forced to depend upon the overseers to keep his work record.

Literacy, naturally, has always been the key to knowledge, and in the old days the govern-

ment, although publicly lamenting the high percentage of illiteracy, purposely neglected the country's educational system. Under the KMT no real effort was ever made to educate the masses since it was felt that literacy and general education would raise the political consciousness of the workers and thus make them more difficult to manage.

One has to go no further than Shanghai to see just what the KMT's real attitude toward education was. Whenever there was a crack-down on "dangerous elements" in this city, the various YWCA and YMCA night literacy schools for workers were prime targets. Many a teacher in these schools was beaten, imprisoned and tortured on "suspicion" of being a communist. Such a person must be a communist, the KMT reasoned. Otherwise why would he be interested in teaching factory workers?

Once the workers grasp these basic facts and realize that their lack of knowledge, rather than being a reflection upon themselves, reflects only upon the corrupt and oppressive KMT which for more than two decades did its best to keep the people in ignorance and poverty, half the battle has been won.

The importance of literacy is self-evident and needs little explanation. However, it is well to note—and the history of this country serves as proof—that mass literacy in China has only become possible following establishment of a government which is dedicated to the interests of the people and which thus has nothing to fear from the people.

REVIEW OF "GORDON" AFFAIR

THE "General Gordon" evacuation scheme has finally been completed and thus has become a matter of history. However a few additional bits of information about the affair have now become available and should be noted. Looking back over developments of the past several weeks, it is now possible to see clearly and conclusively just how the whole scheme shaped up and where the blame for the ensuing mess lies. What's more, it now seems more than likely that some of the participants in the affair were not motivated entirely by a desire to "evacuate" foreign nationals from China.

Originally, it will be recalled, the American President Lines decided to bring the "General Gordon" into port to take out some 1,500 or more foreigners who desired to leave Shanghai and who were experiencing difficulty in doing so because of the KMT blockade of the port.

The sailing of the "General Gordon" was announced and the local APL office accepted bookings from prospective passengers. Shortly before the ship was due to arrive, however, it was revealed that the steamship company had decided not to bring the ship up river to Shanghai, claiming that it feared the channel at the mouth of the Yangtze might have been mined by the KMT.

After some discussion, the steamship company announced that it was planning to bring two American naval LST's from Japan to serve as ferry boats to take passengers down the river

to the open sea where the "General Gordon" would lie in wait. These LST's it was explained, were of extremely shallow draft and would thus be able to navigate the smaller, shallower north channel which was not mined. At the time, however, some observers expressed doubt as to whether the local authorities would grant permission for the entry into Chinese inland waters of two American naval vessels.

Nevertheless, the LST's sailed from Japan and passengers were readied in Shanghai—all before permission had been obtained for their entry. When the local authorities reiterated an earlier ruling which prohibited the entry of foreign naval ships and refused permission, the scheme fell through. The "General Gordon" arrived off the mouth of the Yangtze and then steamed on to Japan and, finally, returned to America.

During the several days period while the "General Gordon" was hovering in the general vicinity of Shanghai, a number of substitute schemes for carrying out the evacuation were discussed. An appeal against the ruling prohibiting entry of the LST's was reportedly made to the local authorities, negotiations were started with one or more Shanghai shipping companies with a view to using local vessels to do the ferrying. Finally, however, the ship was ordered to proceed directly to America and the whole idea given up.

In the April 1 issue of the *Review* we commented upon the "General Gordon" fiasco, pointing out that the blame for the mix up lay with the American government and the American President Lines which mishandled the project from the beginning. It was ridiculous, we said, to have made the success or failure of the scheme depend upon the local authorities reversing a standing ruling and thus permitting the naval LST's to enter port. We further pointed out that arrangements for the use of local vessels to do the ferrying could have been made weeks in advance instead of waiting until the last minute—when it apparently was too late—to investigate such a possibility.

In the April 15 issue of the *Review* we again discussed the matter. On that occasion we reviewed the situation and took issue with an editorial appearing in the *New York Times* on March 22 which placed the blame for the failure of the evacuation scheme upon the local Chinese authorities, overlooking the fact that the scheme fell through entirely because of the unrecognized KMT blockade of the port and because of poor handling of the project by the shipping line and the American State Department. The *Times'* editorial, we noted, was factually incorrect, contained unwarranted suppositions and was written upon the basis of false and misleading information supplied the press by the State Department in Washington and the APL office in Hongkong.

We further lamented the fact that the story was thus being twisted in news reports abroad and that, once again, the American people were being given false information which would further confuse and misinform them about conditions in China.

While all was confusion on the American-sponsored "evacuation front," weary passengers finally began booking other passage on various

ships calling at Tientsin. However, as these passengers began leaving daily by train for Tientsin, they were once again "alerted" as a new scheme was afoot locally, backed by the American State Department. This time the idea was to charter a British ship to call at the mouth of the Yangtze and to employ local vessels as ferries. However, this plan, too, was subsequently abandoned. According to Secretary of State Acheson, it could not be carried out because the four or five days required to implement the plan would carry it "one full week beyond the deadline set by the Nationalists" who, it would seem, had told Secretary Acheson that they intended to mine the shallow north channel, thus making the Shanghai blockade airtight.

Last week the problem of getting the passengers out was finally resolved when the "General Gordon," on a return trip, called at Tientsin and picked up some 700 passengers, all that remained out of the 1,500 who originally were signed up for the ship in Shanghai some months ago.

The conclusion to the whole affair, in our opinion, was contained in a brief four lines appearing at the bottom of a press agency dispatch from Hongkong on May 2 which announced that the British vessel "Elsie Moller" had just returned to Hongkong from a successful "blockade run to Shanghai." The "Elsie Moller," it should be noted, used the north channel for entering and leaving Shanghai, just about two weeks after Secretary Acheson said this same channel was to be mined, and thus closed, by the KMT.

It hardly seems possible to us that presumably sensible, adult people could have handled a relatively simple matter in such an inept fashion and could have demonstrated so much confusion purely by chance. The resulting distortion of the news about the whole "General Gordon" affair, which can only result in raising doubts and antagonism toward China among the American people, lends strength to the suspicion that the confusion of the last several weeks might not have been entirely accidental.

MAN BITES DOG

THE most startling news appearing in this issue of the *Review* is an announcement of a price reduction of JMP1,000 per copy. Beginning today the *Review* will sell for JMP4,000, instead of the previous figure of JMP5,000.

Since resumption of publication following VJ Day this is our first price reduction, although we have had so many price increases that we've lost track of just how many.

The first issue, October 20, 1945, was sold at CNC\$40 per copy. Nearly three years later, when the then post-war worthless CNC was scrapped, the price per copy had risen to CNC\$1,500,000. The August 28, 1948, issue was quoted in the new currency which Chiang Ching-kuo unsuccessfully attempted to stabilize with the bayonette and the firing squad. The price then was 60 cents Gold Yuan. By the time the Gold Yuan had run its course—which was in less than one year—Shanghai had been liberated. The May 28, 1949, issue sold for GY4,000,000 per copy. Since June 4, 1949, the price of the *Review* has been quoted in Jen Min

Piao (People's currency). During the past year the price has gradually risen from JMP100 per copy in June of last year to JMP5,000, which has been the ruling figure for the past few months. Now we're starting down, and it is a new sensation but one which we enjoy very much.

Actually, we suppose this is not a particularly surprising development since the price stabilization which began about three months ago has shown and is showing every sign of becoming a permanent feature of life in Shanghai. Thus, the price of the *Review* only reflects the overall tendency toward price stability.

25 Years Ago In The China Weekly Review

United States Trade

May 9, 1925

Notwithstanding the fact that the United States' trade with the Far East during 1924 was greatly restricted by price reductions, political strife, fluctuation of exchange and other unfavorable political and economic conditions in some of the countries concerned, which reduced the aggregate value of imports from \$1,079,010,758 to \$980,315,000, encouraging trade features were still evident. The trade balance unfavorable to the United States was reduced more than \$100,000,000, and exports to all the important countries except Japan increased.

Japan continued to lead as the largest consumer of American goods with Australia holding second place. The Straits Settlement maintained a credit balance in the United States of more than \$140,000,000 and the Netherlands East Indies showed little change with a balance of \$43,000,000. China's credit balance, however, slumped from \$70,000,000 to \$8,000,000 and India's from \$97,000,000 to \$68,000,000, while Japan's advanced \$7,000,000 and the Philippines' \$9,000,000.

From "Analysis of Far Eastern Trade of US for 1923-24" by H. P. Shastri

Transport in West China

One hundred and fifty public rickshas, scores of private ones, bicycles, and now motor cycles, are taking advantage of the new pavements. Motor cars have been ordered, but it may be autumn before they arrive. We seem very near to civilization when we are out on the new streets, but when we consider the journey necessary to get road rollers, steam rollers, motor cars, etc., etc. to us we feel very much isolated. With the opening of steam navigation on the Upper Yangtze we will have better facilities.

10 Years Ago In The China Weekly Review

Unstable Currency

May 11, 1940

A blow long anticipated, but which nevertheless came as a severe shock, was delivered to Shanghai last week when the Chinese dollar (fapi) plummeted in a steep dive to a point about 30 percent lower than its previous value in terms of foreign exchange. The crash came on Thursday, May 2 and at the lowest point in the headlong fall reached a quotation of 23 Chinese dollars to one American dollar.

Immediate cause of the crash was discontinuance of intervention of the Anglo-Chinese Stabilization Fund in the Shanghai exchange market. In February, the Fund, which is operated from Hongkong, held about £7,000,000. Support to the fapi, however, cost the fund more than £5,000,000 in the past three months and there has been no replenishment.

Pleasant Profits

The Hongkong and Shanghai Hotels, Ltd., had their most profitable year, according to the report of the annual meeting held in Hongkong last week. Especially profitable was the Palace Hotel in Shanghai "which yielded a very pleasant result," according to the chairman. The ancient Astor House, located in Hongkew, which was leased to the Japanese for three years, "also is working smoothly and yielded a satisfactory year." The Wagons Lits Hotel in the Legation Quarter, Peking, "equally showed excellent results and furnished a record profit."

Outlook for Small Industry in China

Small industry, organized along cooperative lines, will have an important place in new China's planned economy and in the pre-socialism transition period.

TODAY, vast tasks confront the new government of China: the pressing military problem, the basic problem of changing land tenure, the vital problems of essential heavy industry, and the problem of the restoration and enlargement of the transport system. These are all being tackled with determination, energy and ability, and of necessity absorb most of the highly trained manpower available for leadership.

Yet China is so enormous that the effort in one place may have very little immediate effect on the daily lives of people in the thickly populated hinterland. Even around great cities, there will be many hands which could be used for productive work which stay idle for the want of organization and leadership—or at the best, hands producing things which are of no great value with little market. Many parts of China present a population and employment problem not unlike the one which exists in Japan.

In Japan, the rise of small industry has been phenomenal. Decentralized into the homes of the people, using electric power, controlled by state bureaus which standardize for export, it has steadied Japanese economy by reducing unemployment, utilizing labor which cannot be used in factories—the spare time of old people, women, and children included. It has produced bicycles, clocks, textiles, toys for foreign markets. It is still growing. It is liked by the people and, because of that, has been used by the government with the result that it has become a strong help to the capitalist system through its small factory owner groups which deal in a strict paternalistic way with those dependent on them. Industry organized this way—the “lao pan,” “chang kwei di” way—will work against the trade union movement, against the march to socialism. But it has given and will give swift and effective results. However, it can be used against the people.

Cooperative Form Needed

How, then, to utilize this great potential for quick and sure results which the employment of people in small industry offers, to use it so that it furthers the march towards socialism, rather than hinders it? Surely by giving the organization of this kind of industry into the hands of the people as a movement, and in giving, grant it the cooperative form of producer cooperatives with their own federations, such industry would become a bulwark for socialism, giving the common man a ferry to cross from the family system to the new society.

Under the Kuomintang, industrial cooperation in China could not prosper. It was simply allowed to live in a semi-moribund condition, to give a flavor of “liberalism” to a feudal government. Its leadership was constantly oppressed, and its progressive elements driven away, forced underground, imprisoned or even killed.

Yet, in spite of this, such was the strength of the collective group that some cooperatives did survive and are operating successfully and cooperatively today.

Many of the reasons why socialists in England opposed cottage, small and cooperative industry after the industrial revolution do not apply in China today. First, there is now a planned economy. The trade union movement would have nothing to fear, indeed would only get added strength from the industrial cooperative member. The electric motor has largely supplanted the steam engine and, as atomic energy is developed, will more than ever do so. So will cheap power come to decentralized industry. Living conditions in small industry in the hinterland are likely to be better than those in the crowded cities for a long time to come.

Technical Advice

Direction and technique can be given through cooperative federations in a way not possible under an uncontrolled economy. The clever fingers of the organized craftsman can not only make artistic handicrafts for the export market, but also consumer goods for internal use—clocks and watches as accurate as the Swiss makes, precision instruments, truck parts, textiles and paper.

Small industry, standing by itself, cannot hope to progress adequately perhaps. There must be federations. Take the small industry of many a hinterland *hsien*, especially in the one-crop-a-year country of the Northwest. Small mining ventures there are as backward as any in the world, giving but a brief and hazardous livelihood to the workers. Small iron smelters are few; in spite of the great local need for cheap iron, smelted brass coins are the cheapest local metal. For spinning, the distaff is still used, spinning perhaps half a *catty* (one *catty* equals 1.102311 pounds or one-half kilogram) of yarn a day as compared with the two *catties* produced with an improved spinner. Foods are not properly preserved for the long winters, mostly because the glass and pottery industries have not kept up with modern methods and containers are too expensive. Leather goods are costly because gallnuts, *valonia*, have not yet had their tanning content extracted nor been marketed easily in paste form so that transport is possible. China's mineral deposits are small, frequent but scattered. The farmer who perhaps has less than 90 days a year work on his land, can well be organized to exploit these mineral resources; he should be taught to do so.

Paper is needed everywhere for mass education. Books must be cheap, but paper pulp should come from local sources—bamboo, reeds, grasses, barks. It is unwise to exploit forest reserves for such material when railway ties and big industrial construc-

tion projects make heavy demands on these resources, as they must. The small paper unit of boiler, steam engine, beater, digester and calender, is easily operated and relatively simple to install. It would give the farmer off-season work and produce paper quickly in most areas. For in almost every part of the country there is some material which can be made into paper if research is carried out to produce methods suitable for the different localities.

So the new small industry, perhaps, can best follow cooperative lines as far as organization goes, with federations and subsidiaries, for only if technical advice and marketing help is given, can the small unit be provided with large unit facilities and the maximum potential be given to the maximum number of producers. There has been much underestimation of the creative, industrial potential of the hinterland peasant, who can bring a fresh mind and willingness to undergo all the hardship necessary to small industrial production done under all kinds of difficulties which people on the coast would not be prepared to face.

While the handicraft workers of Peking and Swatow may manufacture for export, those of Chengtu, using the new waterpower that can be generated at Kwanhsien and in the Sunpan river, can produce for the interior consumer market; people in scattered *hsien* in the hinterland can produce to bolster up their own economy, giving themselves new purchasing power and new hope.

Employment for Many

It is natural for such a home-loving people as the Chinese to like industry that does not depart from the familiar pattern of home life too much, which does not take them too far from familiar surroundings. Certainly the unit of from seven to 25 is an easy unit for ordinary persons to enter, and if standardization, short-cut methods for quicker production, research, training and other benefits of big industry can be brought to such groups, much could be done over a wide area in the field of both heavy and light industry to have manpower which no other more important branch of national effort can use mobilized for its own betterment. Much would be learned about the industrial potential of all parts of the country. Small industry would be a training ground for bigger industry, new production ideas would come in, all within the framework of collective living.

The improvement of rural living standards not only means increased productivity on the new industrialized farm; it also means employment for those who are almost perpetual famine sufferers—people who are poorly housed, who lack the most elementary items for healthy living. Industry brings in industry. Honan mechanics who went to Kansu and started small machine shops in Hweihhsien, Chinan, and Pingliang organized these shops on a cooperative basis. In Hweihhsien and Chinan they made cotton cards which helped the local textile industry

considerably. In Pingliang during the last year, the cooperative group repaired over a thousand horse-pulled rubber tired carts. They have also repaired knitting machines. The Shwangshihpu Machine Cooperative in a small village in the Tsingling Shan, using local iron and local water-power, produced knitting machines, small paper plants, repaired trucks, and made boilers and steam engines for many kinds of small industry in the locality. Without the cooperative unit, these things would not have been done. There would have been no basis to go on from in furthering industrial work in the villages.

One of the drawbacks of small industry is that often its management is poor, especially when it tries to ape big industry and carry a heavy overhead of directors who are not producers. Again, should the cooperative form of organization be used, this fault can be corrected. The leadership of any good cooperative will object to unnecessary expenses. As small industry comes to the village, there is less dependence on production for bare livelihood, and more dependence on it as a medium for exchange for other needs. We make soap, you make pottery. We can exchange.

Community Benefits

There can be little improvement in local education and in social services if the local economy does not improve fast enough to support such. Many examples come to one's mind of the influence of just one production unit in a local area—a weaving cooperative making army blankets at Fei Ja Ying near Lanchow where a primary school was partially supported, work given to many old persons and superior products marketed; a pottery unit in South Kiangsi which brought immediate betterment; paper-making cooperatives in Changting, Fukien which were able to establish a local school; the cooperatives of Paochi, Shensi which set up a school and a hospital. The rural community is

usually more closely integrated than the urban one, and consequently the role of any advanced organization such as a school or a cooperative will have an influence that no outside agency can have. People will take a pride in the industry their locality operates. It will become more and more possible, for example, to bring several poorly paying potteries together and make one good pottery cooperative that will give better livelihood to the same number of people, and not only better livelihood, but a confidence in their own collective effort.

Trained Personnel

A serious barrier to the development of small industry on a widespread scale is the lack of suitable technical personnel to lead such. The urbanized technicians have little patience with the rural workers' approach. There is the need for a new efficient technician to be trained who comes from the struggling masses among whom he can work in leather, paper, pottery, textiles and other fields.

How such training would be organized and who would pay for it is a problem. Yet the best way to learn how to do research and training for widespread industry is to do something about it. Learning by doing should be practiced not only in the process of producing new wealth, but also in producing technicians who will help people to make this wealth. Mechanization can only be brought in insofar as there are technicians ready to use it. Farmers will look doubtfully at a tractor and go back to their old cows until they feel confident that they can master the machine. Many a machine has been brought into a cooperative which with ability could be made to produce more than manual work, but it has been relegated to some corner until a worker has really learned its benefits. These are widespread difficulties small industry has

to face, and they are all the more real because essential heavy industry on the coast is in need of all the technicians it can possibly get. Small industry leadership must come from among the people who will operate small industries.

Not only can cooperative industry be undertaken in rural semi-urban centers and in villages, but it can also be used in large cities where there is surplus labor and an immediate market. One thinks back over production units one has known—the grandfather, still able to weave; his son, a foreman in a mill, but with a wife and daughter at home; a widowed daughter-in-law with two children who do dyeing and cotton twisting; a half-crippled third son, who could weave also; two old friends without families, too old to work in big industry but also able to weave. Without their work, all of these people would have been unable to support themselves. Yet, had they been joined together in a federation of other such producers, their work would have been made much more effective. They would have felt at one with society instead of battling against it.

One great asset a small industrial enterprise has is its extreme adaptability. It can make many things as the market demands. Streamlined big industry will produce the trucks and tractors all right, but it may be that the bicycles, the tools, and textiles of small industry, the small power plants, the small sugar refineries and so on will bring something more than the wealth they actually produce. Perhaps they will bring encouragement and stability to many who have waited so long for such.

New Discoveries

We should not forget, also, that the discoveries of the new age await us. The day of the light alloy will come with easily worked, light metals of great strength. There is the clay bank, a new source of raw material, and the new day of plastics. New materials for industry will be found everywhere, as people begin to think in industrial terms. Flax may be made into clothing instead of being burned under "kangs."

Small industry, as an important working adjunct to big industry, can carry its busy fingers into every part of the country, to every corner where people are anxious to work and to create. Wang, the electrician, will become as familiar a figure in village life as Wang, the carpenter, is today. Glass fronted houses will take the place of the black holes of the Northwest peasant. He will eat from decent pottery. His children will have clothing in the winter. He will have efficient farm tools. And more than that, in the time he is not spending on the land, he and his people will have helped to make these very tools. This is the future toward which small industry in China is today confidently working.

— REWI ALLEY



Foundry—by Su Kuang

Shanghai Theater

The Song of the Red Flag

"THE Song of the Red Flag," which has been running for over three months to packed houses at the Lyceum Theater in Shanghai is a vivid indication of the new direction of culture in China. Its production on the Shanghai stage marks a turning point in the history of the *hua chieh*, the modern "talking" drama. "The Song of the Red Flag" has been hailed as a great event by those who have long been connected with the *hua chieh*, by all cultural workers and people of many walks of life. Not least, the Shanghai public has given it warm acclaim, particularly those for whom and about whom the play is written, the workers. For the first time a play entirely concerned with factory workers has been produced in this city, the heart of China's working class struggle. Appropriately, the play opened at the time of the inauguration of the General Labor Union of Shanghai.

In Shanghai, the play has been produced by the Joint Committee of Theater and Movie Workers, many of the participating actresses and actors being well-known stage figures and movie stars. Experienced actors as they are, this play presented them with many problems, for they were faced with an unfamiliar field. Formerly the *hua chieh* was perforce directed almost exclusively toward the intellectuals and the petty bourgeoisie from which classes the authors, directors and actors also came. To depict workers and their life was to represent a kind of life about which they had little experience.

When the play was first performed in Peking before members of last summer's National Cultural Workers' Conference, the actors were members of a cultural workers' team, who had spent much time among the workers of Shihchiachuang, and their performance was most convincing. The Shanghai actors and actresses were afraid that without equal opportunities of contact with workers and conditions in factories they would be unable to give an accurate interpretation of workers and a true picture of factory life.

To try and overcome this difficulty the help of the workers was enlisted. Visits were made to textile factories where the workers explained the processes of production and the conditions of their life. They also lent clothes and equipment to the actors, and after production started offered their suggestions and criticisms. They were attentive to even the smallest details, for instance that the machines should be dusted with feather dusters before use and that the fire buckets should be painted red, not grey.

The story is set in a government factory in Shihchiachuang, an industrial city in Hopei province, six

months after liberation of that city. Most of the workers have heartily welcomed the new order. The slogans "The factory is ours!" "The workers are the masters!" have become part of their everyday talk. They have accepted their new responsibilities, throwing themselves with energy into the running of the factory and making every effort to increase productive efficiency. They are conscious that their level of production is a factor in supporting the troops who won this new life for the workers and who are still fighting their way south.

The running of the factory is in the hands of Manager Peng, a Communist; Assistant Manager Wan, who has been retained from the management of Kuomintang days; and the workers, who are organized under their union. Shortly before the play opens a red flag contest has been instituted in order to step up production. The girl workers have been divided into small groups, each starting out a 10-day period with 100 points. Points can be lost for inefficient work, neglect, bad attitudes towards work or fellow workers, and so forth. At the end of the 10 days each team with 95 points or more is awarded a red flag. A production target is also set for each period.

The contest has achieved the desired result with practically every worker. So much so, in fact, that as the curtain rises, revealing one of the machine rooms in the factory, a crowd of girls is waiting to be admitted although it is three-quarters of an hour before work is due to start. The moment the door is opened they rush in, in the highest spirits, eager to know which teams have won the much coveted red flags. An older worker, Lao Liu, who is chairman of the labor union, comments with amusement and affection

About the Play's Authors

"The Song of the Red Flag" is the joint work of six authors and the Third Cultural Workers Team of Hua Pei University, who lived for an entire year among the factory workers of Shihchiachuang. The Shihchiachuang workers, who contributed a number of suggestions during the writing of the play should, in a way, be considered to have a share in the authorship, and they were the first audience before whom the play was performed. Joint authorship such as this is a feature of many liberated area productions and has been the case with a number of other new plays in Shanghai—notably "Pai Mao Nu" (The White Haired Woman) and "Szu Hsiang Wen Ti" (The Ideological Problem).

on the change in the girls' attitude toward their work since liberation.

However, human beings are not as simple as that. One of the girls, Ma Fen Chieh, does not see that any fundamental change has taken place. True, the Communists are to be preferred to the Japanese or the Kuomintang; they show more concern for the workers in that they provide them with cheap flour and cloth and have set up health facilities. But after all, isn't Assistant Manager Wan still part of the management? Doesn't he still despise and bully the workers? If the factory is now the workers', why are the workers still desperately poor? Why do they still have to work like animals? Let those who wish indulge in the childish foolishness of dancing the *yang ko*, singing songs, studying, going to meetings, talking about principles. But let them leave her out of it. She will attend to her own work as usual. And her little shadow, little Mei Ku, echoes her ideas: What's a red flag but a piece of red cloth on a pole?

Each team of workers has a leader. To energetic, active and quick-tempered Chang Ta Mei has fallen the unhappy task of heading up the group to which Fen Chieh and little Mei Ku belong. Fen Chieh's reaction to the contest is that of indifference gradually turning to sullen resentment. The contest has had one result in her view, to split up everyone into "activists" or "backward" elements. Before everyone was friendly and got along well; now there is nothing but quarreling.

Ta Mei is exasperated by Fen Chieh's indifference and the fact that her attitude and her influence on Mei Ku result in their failure to win a red flag. Unable to control her anger, she resorts to attacking the uncooperative pair. Fen Chieh is a "Fortress of Reaction" and little Mei Ku her "running dog." This spirit quickly spreads to others, who relieve their irritation or get a malicious pleasure out of provoking the two "reactionaries." One girl chases Mei Ku, shouting: "You're a reactionary! You're more reactionary than Chiang Kai-shek!" Another says: "It's as good as seeing a play without having to pay for tickets when the two generals (Fen Chieh and Ta Mei) get going!"

In desperation Ta Mei has requested the transfer of Chin Fang, a popular, wise and patient girl, to her team. Chin Fang tells Ta Mei that it is wrong and useless to attack Fen Chieh, that she must use persuasion and reason with her. It is not entirely Fen Chieh's fault that she does not understand. Some of the blame is theirs. They have failed to explain the new ideas clearly enough and to demonstrate them in their work and attitude toward her. Chin Fang herself does not make much headway. However, she does not antagonize Fen Chieh and she is sometimes able to head off a quarrel between her and Ta Mei.

Any hopes of Ta Mei's team winning a red flag in the third ten-day contest are dashed a few minutes after the red flags have been given out for the second period. Assistant

Manager Wan finds Mei Ku away from her machine for no good reason and marks a point against the team. Fen Chieh rushes to her little "running dog's" defense, but only succeeds in irritating Wan, who deducts another point—just to teach her a lesson. When she discovers this, Ta Mei tells them that at a small meeting of workers a request has been drawn up that if Fen Chieh and Mei Ku continue to spoil the work they be dismissed from the factory.

The ruse succeeds in shaking Fen Chieh. Times are hard. She has been out of work before and knows what that means. Her old mother is sick and entirely dependent on her. So it is with real fear of losing her job that she discovers, due to her own neglect, a great deal of waste cotton has collected in her machine. To avoid certain dismissal she forces Mei Ku to help her put the cotton into another machine.

From this point the confusion and quarreling spread. The girl who finds the large amount of waste cotton in her machine accuses Chin Fang of putting it there. Another worker, Yueh Hsiang, who saw the incident, wants to tell the truth but is prevented from doing so by Fen Chieh. The act ends in a general uproar.

The second act is spent disentangling the facts. Assistant Manager Wan conducts the first examination in a high-handed manner. He resents the new way of doing things. In his opinion orders should be issued by the management and the workers carry them out—as of old. The workers' mixing into things just means constant fuss and trouble. There has absolutely been no peace since these girls started having a say and things have become worse since the organizing of the red flag contest. He resents in particular the criticism the workers raise concerning his bureaucratic ideas. He says the complaints they make are ridiculous: for instance, they say he raises his voice too much when he talks to them! Democratic management indeed! And so, to him, the quickest solution is best—and that is that Chin Fang is the culprit. Two marks against her team—and that is that!

However, nobody else is satisfied. The girls complain to Manager Peng, who takes up the investigation with

the help of labor union chairman, Lao Liu. Under his reasonable and penetrating questioning the truth comes out and Fen Chieh even admits committing the act. But, she claims, the real blame lies with Ta Mei, whose threat of loss of work made her do this thing. Ta Mei confesses that she made the story up to make Fen Chieh and Mei Ku work harder.

The problem is solved, and Chin Fang is cleared, but the relations between Fen Chieh and Ta Mei have not been improved. They are soon fighting again. Their furious squabbling brings them into the business office looking for Manager Peng. Instead they find Assistant Manager Wan. The hostility between him and Fen Chieh, already sharpened by their earlier clash, leads to a quarrel which ends in Wan telling Fen Chieh, in no polite terms, to "roll out." Fen Chieh in a rage, snatches off her apron and leaves the factory. Ta Mei is aghast, though her wish has been realized. The curtain falls on a dismayed Chin Fang, (who, it is revealed is a recent Communist Party member) saying to the manager, that the further the affair goes, the worse it gets. The manager replies that no problem is insuperable.

Act Three takes place the next morning in Fen Chieh's home. Her mother is upset over the fact that her daughter has been fired. Fen Chieh says she can easily find some other work, but her irritation indicates that she is none too sure of success.

In the meantime, Chin Fang and the other girls in the team are working very hard to try and reconcile Ta Mei and her enemy. They urge Ta Mei to confess her wrong attitude in front of Fen Chieh herself, hoping this will move Fen Chieh to realize and acknowledge her own failings. But Ta Mei is reluctant and Fen Chieh absolutely opposed to the plan. Finally Ta Mei is dragged in and admits her faults, but insists that Fen Chieh's wrongs are greater. She has made her mistakes only to

try and promote production, while Fen Chieh has sabotaged it. She should admit this. Fen Chieh, tortured by the struggle that is going on in her own mind, does not reply.

Throughout the act Chin Fang has been doing her best to explain to the mother and Fen Chieh that the question of Fen Chieh's dismissal is by no means settled. It's no longer possible for someone like the assistant manager to order a worker to quit summarily. A meeting is now being held with the chief manager to discuss the matter. But only able to think in the terms of the old

society, neither the mother nor daughter can believe this.

While talking with the mother Chin Fang learns for the first time the details of Fen Chieh's earlier history. This explains the girl's deep-rooted resentment toward the factory and her hatred of Assistant Manager Wan. Twice before she has been dismissed from the factory. The first time was under the Japanese, on a false accusation. The second time, in Kuomintang days, she had asked leave to care for her dying father. Permission was refused. The infuriated girl had cursed the manager, and again was fired. And the man who had done this to her was none other than the present assistant manager. The father had died and mother and daughter had

subsequently suffered greatly. On both these occasions Fen Chieh had been reinstated only after she made gifts to the manager and debased herself utterly by "kowtowing" to him.

To the mother times are unchanged. She does her very best to persuade her daughter to buy some delicacies and some American tinned goods as gifts for the manager and assistant manager. She should "kow tow" to them and beg them to take her back into the factory. She should even forgo her wages and rations if need be. Since her attempts to find other work have failed, Fen Chieh is driven to the point where she is ready to conform with these suggestions; but Chin Fang, horrified at the idea, prevents her from carrying them out.

Only when Lao Liu brings her work apron and friends carry in her rationed flour do Fen Chieh and her mother realize that what Chin Fang has been trying to tell them is true—Fen Chieh has not been dismissed. Manager Peng comes in to report that the assistant manager has been criticized publicly at the meeting, and has even admitted that his attitude to Fen Chieh was wrong. Fen Chieh, too overcome to speak, can only seize her apron and rush back to the factory.

The final act takes place 10 days later in the factory's recreation club room. It is the day for "The Red Flag Production Contest Meeting." Everyone is busy sweeping, making banners, collecting comfort parcels for the army, practising singing and dancing. Relatives are coming for the occasion. Yet, everyone is upset; Fen Chieh has refused to attend the meeting. She has been working furiously for the past 10 days, but to Ta Mei she will not speak. Ta Mei is worried, concerned over the excessive zeal which Fen Chieh is devoting to her work and deeply distressed that she will not be reconciled to her. Shortly before the meeting is due to start, Fen Chieh cannot even be found, and the members of her team run everywhere looking for her.

The assistant manager is also causing worry. The workers have asked that he make a speech at the meeting, acknowledging publicly that



These two drawings, from the *Ta Kung Pao*, illustrate two particular moments in the play. The upper shows Chin Fang, left, trying to "explain" to a stubborn Fen Chieh. Lower drawing shows the communist manager encouraging Chin Fang, who feels she has run up against a stone wall in Fen Chieh.

his former attitude to the workers was at fault, and explaining how he has come to realize this and change his point of view. But the dispirited man cannot bring himself to do it.

Just as everyone is despairing of making the meeting a real success without the cooperation of Fen Chieh and Wan, two friends drag in an unwilling Fen Chieh. Manager Peng talks to her about participating in the meeting, and Ta Mei asks her, with rising emotion, what still stands between them. It is only when Manager Peng announces that their team has won a red flag that Fen Chieh is startled into speech. How can that be true? Is it really so? Did Ta Mei hear? Her last shreds of resistance break down, and she rushes to Ta Mei and the two embrace each other.

In a burst of speech giving vent to her long pent up emotions Fen Chieh acknowledges how wrong she has been. She tells how she used to hate the red flag, but how after her return to the factory she couldn't stop thinking of it and longing that their team should win one. But because of Mei Ku and herself she knew that was impossible. She knew how generous the management and her fellow workers had been toward her. She had wanted to run away, to avoid the meeting—but she found she could not. She found she cared too much for their, *their* own factory, she cared too much for her fellow workers.

Fen Chieh's impassioned speech moves the assistant manager to step forward and apologize to her in front of everyone for the wrong he has done her. He openly admits his mistaken bureaucratic attitude. Everyone present is deeply moved and elated that these two should have come to realize and spontaneously declare their own failings and shortcomings.

The climax of the act comes when Fen Chieh cries out that she wants to speak at the meeting, to tell the world that the Communist Party is the workers' party, that the workers are now masters. With great happiness and joy all stream out to the meeting singing.

* * *

THE story of the play moves slowly and the unfolding of the main

characters is gradual, but in contrast the dialogue and actions are swift, energetic and bursting with the new spirit of the workers. It is the first time that such realistic speech has been used in a play. As one educational worker said: "A piece of real life has been put onto the stage." The sets are also true to life.

In seeing the two types of leadership contrasted in this play, the audience can learn much about the new situation as it affects the workers of a factory. The old leadership—as personified in Assistant Manager Wan, and to some extent in Ta Mei—relied on force and domineering and bureaucratic methods to secure submission. Behind it was always the threat that opposition would lead to loss of work. The new—as demonstrated by Manager Peng, Lao Liu and Chin Fang—relies on persuasion, education and the assurance that the average human being, if given sufficient opportunity to learn and understand, is a constructive person who likes to work hard for what he or she believes in, who responds to respect and affection.

Perhaps the most impressive thing about this play was the answer it provides for those who say—and they are legion—that communism is not concerned with the individual. In this case, it was the Communist leadership that insisted that the whole factory should be turned upside down, that no one who could help should spare any effort if one person, Fen Chieh, could be helped to understand the new position of the working class. The cooperation of *one* worker was all important to the work of the whole factory.

The interest and discussion aroused by the play has been widespread. Special discussion meetings of cultural workers have been held. Many articles have appeared in the local press, praising, offering suggestions and making criticisms. Groups from factories, unions, government offices and schools have been encouraged to see the play as an educational measure.

Of all the comments and opinions it is most interesting to learn the response of the workers. It

is reported that when representatives of Shanghai's newly-established General Labor Union saw the play, many of them were moved to tears and gave it a great ovation. Some of them, when leaving the theater, saw that part of the audience were still in their seats, so they ran back to their places eagerly asking if there was another act. This, although the play ran for a full four hours! Many of the representatives left the theater determined to urge everyone they met to see the play. As one said: "Ah! It is really most moving! It has great significance for those of us who are engaged in educational work among the workers."

One worker was heard to say: "My wife is very backward. She doesn't approve of my buying bonds. She blames me for working hard for precious little pay and says I'm only interested in going to meetings and don't bother about matters at home. Now I have decided to take her to see 'The Song of the Red Flag' to help straighten out her ideas." Others said: "This is just like work in our textile factory. The workers in the play are just like our workers!" "That one is just like me, getting into lots of trouble in her work. Sometimes laughing, sometimes crying." The workers are delighted that a play has been written entirely about their work and that famous movie stars and other actors should have humbly visited the factories to learn from them. They feel this has given them much respect in the eyes of the public.

They also offered criticism. One was that the organization of the Communist Party and labor union leadership was not sufficiently shown and gives the impression that any question can be solved by the administration alone. This they said is not the case. They were critical of the amount of time the workers in the play spent running around and neglecting their machines. This, they pointed out, might lead one to think that production was not very important, when it is, after all, all important. They criticized the presentation of Chin Fang as being unsatisfactory. "If," one worker said, "all party members were like her, the work of the factory must collapse." Most of the actors, they agreed, took the parts of workers convincingly, but some were rather more like business girls or even students. They felt that the purpose of the red flag contest, to boost production, could be shown more strongly. They also pointed out that all the workers were shown to be either progressive or reactionary, that there was no one who wavered between the two extremes, whereas in actual life there are quite a number of such persons.

Successive viewings of the play over a period of time show clearly how seriously the director and actors consider these criticisms and suggestions, for, wherever possible, they are accepted and acted upon. Though the actors are not workers themselves, the workers recognize that in the production of this play, a new theater, a workers' theater is coming into being.

— MARGARET TURNER

The Battle Against Famine



The famine relief campaign emphasizes self-help, not foreign aid. Caption of this cartoon from the Shanghai Giefang Rihao read: "The people's strength will pull him down."

China's Changing Countryside

Although plenty of problems are visible, today's traveler sees the beginning of new hope in the rebuilding activities underway from the Yangtze valley to North China.

NO person who travels in China these days can fail to be impressed with the changes that are taking place in city and countryside. On all sides reconstruction work is going on—rebuilding bridges, dike and road repair, tree planting. The difficulties that must be overcome are also evident. Business is still slow in some cities, and if one travels through the famine-affected areas there are signs of hardship. But ever so, spring planting is in progress, land reform is beginning to be implemented, and the atmosphere of hope is unmistakable.

I had an opportunity to view this recently when I took the train from Shanghai to Peking, with a side-trip to my old place of work in Kaifeng.

The trip itself was comfortable past all recollection of pre-liberation journeys. Gone was the terrible noise and din of Shanghai's North Station and the jostling and pushing of milling people. Instead was an orderly queue of passengers waiting to board the train. The third class coaches were sectioned off, with special cars for women and children, for persons who smoke and the like. But the most miraculous change was that there was a seat for everyone. Again and again over the loud speakers the train conductors asked: "Who doesn't have a seat?" In all the traveling I have done in the last 20 years I have never before heard anything of the kind.

This courtesy lasted throughout the trip. As soon as the train pulled out of the station the conductor's voice came through again announcing the next station, the junctions where passengers should change trains for other cities, etc. At the suggestion of a train official we elected a chief for our car, the person who would be in charge of general affairs during the journey. His job was to get the cooperation of the passengers in keeping the floor and washrooms clean and in general helping to make the trip pleasant for everyone.

Reconstruction Work

The sightseeing did not begin until after we had reached Nanking, for the Shanghai-Nanking part of the trip is made at night. After crossing the Yangtze river, which took 15 minutes, we began to see signs of the reconstruction activities. Here and there were piled tree trunks, timber, bridge frames and wires. The largest piece of reconstruction work in this area is the great bridge over the Hwai river in Anhwei province. It had been bombed by the Kuomintang, and now thousands of workers are busy rebuilding it.

At Hsuechow, the important railway juncture in North Kiangsu province near the border of Shantung, I interrupted my journey to catch the train for Kaifeng. Hsuechow is the meeting place of the Lunghai and

Tsinpu railway lines, and passengers on our Peking-bound train were given instructions through the loud-speaker on how and where to board trains for Sian, Kaifeng and Chengchow in the west and Haichow in the east.

The countryside around Hsuechow bore only slight traces of the battles that were waged between the People's Liberation Army and the Kuomintang troops in November, 1948. It was the spring sowing time, and the peasants were busy in the fields. Although there is a shortage of draught animals, 72 percent of Hsuechow's arable land, according to the Hsuechow Peasants Representatives Union, has been sown with wheat.

Land reform has been going on in this region, and some 99,772 mou of land already has been distributed, according to the union. More than 300 unions of peasants representatives have been formed, and they have a membership of 25,000.

Spring Food Shortage

Nevertheless, this spring has been a difficult one for the farmers. One of the local newspapers estimated that 35,000 farmers would be short of foodstuffs until the next wheat harvest. To tide over the spring shortage, many are engaged in side production activities such as making mattresses and weaving baskets, transporting bricks to the coal mines, fishing, and growing vegetables.

In Hsuechow itself, I talked with some beggars who said they were peasants from the Yellow River flooded area in Shantung province and from the famine stricken areas in north Anhwei and north Kiangsu. Many others can be seen in Nanking, Kaifeng and Tsinan. Although the local governments have been employing the refugees in dike and road repair and other forms of work relief, it takes time to get them all well settled.

Going west to Kaifeng on the Lunghai railway, I saw more huge piles of construction materials, and train after train was carrying farming machines for use in the west. The railway was as well operated as the Shanghai-Nanking line. When I left Honan province 17 months before I thought it was battered to an unrecoverable degree.

In Kaifeng there was a new air of activity. Hundreds of people were repairing the thoroughfare from the railway station to the South Gate. Other streets also were being fixed. Almost all of the buildings damaged during the 1948 fighting have been either rebuilt or removed. Prices were stabilized as a result of the effective control of the state food company, whose branches could be seen along the main streets. The Pulin Power Company is able to give the city a regular supply of electricity for the first time since the

Japanese war.

Business, however, like that in Hsuechow, is slow and there is considerable unemployment carried over from the disruption under the Kuomintang. This problem has been eased somewhat by the factories which have moved to Kaifeng and Chengchow from Shanghai and other coastal cities. About 100 small shoe factories have been established in Kaifeng. To date, the people's government has been able to reduce unemployment by some 30 percent.

Peasant Delegates

The conference of delegates of all circles in Honan province was in session while I was in Kaifeng. I was interested in seeing the peasant delegates in their country clothes, all wearing a red cloth slip marked "delegate." They came from all parts of the countryside and were having a good time sightseeing in the provincial capital.

Land reform is in full swing in Honan, with the program already completed in seven counties in the central part of the province and well under way elsewhere. Around 2,600,000 peasants, including 1,000,000 women, have joined peasants representatives unions.

The reform is all the more urgent because Honan is a province noted for its famines, floods, droughts, plagues and other catastrophes. Last year almost all these calamities combined to devastate the province. The provincial and country governments have launched campaigns for famine relief and production increase, and agrarian reform is an important part of this program. Although many farmers were skeptical of land reform at first, fearing retaliation from the landlords and local despots, they gradually have become awakened to an understanding of why they suffered in the past and a realization of their own organized power. Now the emancipation has brought hope to many a famine-stricken and poor tenant farmer.

Going back to Hsuechow, I changed trains for Tsinan, provincial capital of Shantung and one of the bases of the old liberated areas. It was liberated 18 months ago after KMT General Wu Hua-hen revolted. Since that time, according to the Tsinan *Masses Daily*, nine bridges have been built, 109,335 meters of sewers and gutters dug and cleaned out, 5,800 meters of road repaired, and a 640,000 square foot People's Square built. The old city wall is being removed and a road will be built in its place. Thirty thousand trees were being planted along the sidewalks. Many "studios of culture," a type of library and reading room, were being established, the largest located in the newly-named People's Park (formerly Chungshan Park).

From Tsinan, I proceeded to Tientsin where, after spending half a day, I caught an express train from the Northeast for the three-hour trip to Peking.

— DUNCAN C. LEE

CHINA AFFAIRS

NATIONAL

"Self-Help" In Relief

A PEKING meeting of the All-China Conference of Relief Workers has formed the Chinese People's Relief Association. Vice-chairman Tung Pi-wu made a full report on relief and welfare work in China with proposals for future work. The conference adopted his report as the fundamental basis for future work and other proposals of work including relief work in the deficiency areas, relief to unemployed workers and maternity and child welfare work.

Soong Ching-ling (Madame Sun-Yat-sen) was elected chairman of the association and Tung Pi-wu vice-chairman. The Executive Committee of 49 also included Wu Yao-tsung of the YMCA; Hsieh Chueh-tsai, Minister of the Interior; Li Te-chuan, Minister of Health and Vice-president of the All China Democratic Women's Federation; Teng Yu-chih of the YWCA; and Tan Kah-kee, leading overseas Chinese. In a public statement on the position of relief in China, the association maintained that as a result of the present government achievements as well as the ability and faith of the people in "self-help through productive work," it is believed that China can overcome her difficulties.

Referring to "rumors manufactured by the US imperialists" which have stated "that it is impossible for us to overcome our food shortages," the report stated, "this propaganda, which is inconsistent with the facts, obviously does not arise from concern over our difficulties, but are stabs at the back of the Chinese people, a confession of gloating over the misfortune of others."

In his report on relief and welfare work, past and future in China, Tung Pi-wu revealed that this kind of work is no longer window dressing used by the ruling class to deceive and dull the people. Such work is no longer the isolated fight of a few warm-hearted persons but constitutes a part of the whole series of activities of the government and people in their concerted efforts to heal the wounds of war and carry out a peaceful construction. Therefore, they have a new significance and content, Tung Pi-wu stated. He admitted present difficulties but he said they are those that arise in the course of victory and which occur in the transition of an old system to a new one.

Stating that relief work is not merely giving relief but, more important, it is organizing and helping the people to engage in production, he said, "We are fully confident of overcoming these difficulties and we can forecast that the situation will be fundamentally altered in the course of two or three years... In the field of relief and welfare work as in all other fields, the Chinese people will advance firmly and steadily on the road to victory."

Flood Prevention Projects

IN the field of reconstruction China continued to move ahead on a national scale. More than 60 percent of the country's flood prevention projects for the current year have already been completed, according to the Ministry of Water Conservancy in Peking.

Over 3,000,000 peasants have been working on these projects in the last two months, throwing up 210,000,000 cubic meters of earthworks in order to raise the dikes along the Yangtze, Yellow and Huai rivers, as well as other rivers, one to one and a half meters above the 1949 high water levels.

At present, 80 percent of the earthworks on the Yangtze and 40 percent on the Huai river dikes have been completed. The work on the Yellow river, which began 20 days later than on the other rivers, is now 45 percent completed. More than 80 percent of this year's work on the Yi river project has been carried out by 300,000 peasants in north Kiangsu province. The government is reported to be using 467,000 tons of grain to pay for these projects. Peasants on the project earn enough to feed themselves and their families and it is estimated that at least 10,000,000 peasants and their dependents will be able to carry through until the first harvest. Encouraged by the benefits which the plan will bring about and the immediate help which is thus given by the government, peasants are reported to be working energetically to complete the whole project ahead of schedule.

Government Cooperates

A RECENT statement by the Tientsin agent of the American President Lines has served to contradict widespread foreign press reports of the "Chinese Communists" being unwilling to allow foreigners to leave China.

In an advertisement appearing in the May 8 edition of the Tientsin Chin Pu Jih Pao, Bryner & Company, Ltd., shipping agent for the "General Gordon," expressed thanks to various Tientsin government organs, including the Alien Department of the Public Security Bureau of the Tientsin People's Government, the Maritime Customs, the Foreign Exchange Department of the Bank of China and others, for the facilities extended to the vessel.

The advertisement also stated that the members of the different relevant government organizations worked overtime in order to complete the exit procedures for large numbers of foreign nationals, making it possible for them to leave on the "General Gordon" on April 30.

Oil Industry

CHINA'S natural and synthetic oil output is rising along with the restoration of the oil industry throughout the nation. Plants in the Fushan coalfield in the Northeast, which formerly turned out 300,000 tons of gasoline and kerosene annually from oil shale during the Japanese occupation, are producing once more. These plants had been badly damaged by the Kuomintang.

The synthetic oil plant in Dairen began production in February. Other plants in Chinchow, Chihsi, Szeching-kai and Kirin are expected to go into production very soon. The Yumen oilfield output in northwest China is now greater than it was under the Kuomintang while the Yenchang oilfield near Yen'an doubled its crude oil output last year. The latter was seriously damaged by the Kuomintang army which attacked Yen'an in 1947. However, when the KMT pulled out, workers returned to the site, bringing back the machinery which they had moved to the mountains. As a result, the oilfield was producing shortly after Chiang's troops were driven out. In Shanghai, the Japanese synthetic kerosene plant, which was wrecked by the Kuomintang, also has been restored.

LABOR

Growth of Unions

A rapid growth in membership, the raising of productivity in industry and the strengthening of the international solidarity of the working class all have been listed as a result of the vigorous activities of the All-China Federation of Labor during the past year.

Membership of the ACFL has grown to 4,100,000 according to the latest figures. In cities, such as Shanghai and Tangshan, where large numbers of workers are to be found, more than 80 percent have joined unions which are united with the ACFL. Local trade union councils have been formed in most of China's provinces and cities. National industrial unions of railway workers, postal and tele-communications workers, and transport workers have been set up during the past year. Preparations are now under way for the establishment of national unions of seamen, textile, electrical equipment, iron and steel, munitions, machine making, food and other industries.

The development of trade unions was given a great push forward by the national conference on trade union work held last July, at which the need for mass organizational work was made clear. Unions have taken an active part in stimulating mass emulation drives to raise production, and in developing the new record movement. The system of encouraging workers' proposals and team respon-

sibility has been a product of union work.

According to the NCNA, unions play a frontline role in "promoting factory committees and getting workers' representative conferences convened. They develop the initiative and sense of responsibility of workers as the masters of the country." The ACFL also has helped in raising the level of the workers' political and cultural status. At present 220,000

workers are studying regularly in spare-time technical and cultural schools in nine major cities and the ACFL has adopted the goal of eliminating illiteracy among workers within three to five years.

Despite its achievements, the ACFL is confronted with important problems regarding the future, according to the NCNA. For example, in the next six months, it will have to deal with the complex problems involved in the

unification of the standards of wages and labor insurance measures. In the coming year, the ACFL will be faced with the task of strengthening and extending basic organizations of the unions in different branches of industry, of developing still further the workers' rationalization proposals and emulation drives in state and public enterprises, and of extending the establishment of collective agreements and labor-capital consultative measures in private factories.

The Week's Business

Trade in industrial raw materials is picking up as more factories resume production. Higher interest rates have been announced on inter-bank loans to aid private banks. A committee of business and labor representatives has been established to appraise taxes.

SOMEWHAT brisker trading featured the local market during the week under review, as an increasing number of factories in Shanghai resumed normal production activities through government assistance and were able to purchase raw materials.

Caustic soda, for example, has recently come into active demand. The price of the Crescent brand increased from JMP\$20,000 on May 1 to JMP\$980,000 on May 9. Ordinary American caustic soda, which was sold at JMP\$880,000 per drum on May 9, also showed considerable increases during the week.

In general, the prices of other essential commodities remained stable during the week. Rice prices fell slightly, and cotton yarn averaged some increases. In the silk market, the China Silk Corporation resumed sales of rayon to local silk weaving mills. The quotation on May 9 was JMP\$6,100,000 per case. The volume of trading in the raw silk market was also reported to be considerable, as foreign firms made purchases.

On May 9, the Shanghai Cotton, Cotton Yarn and Cotton Cloth Corporation began to sell raw cotton to local private mills to relieve their raw material supply problem. A total of 2,839 piculs of raw cotton was sold during the day, including 100 piculs to the An Tah Mill, 192 piculs to the Chang Hsin Mill and 2,549 piculs to the Joint Cotton Purchase Board of the state and private mills.

In the field of finance, the East China Branch of the People's Bank raised the interest rates on inter-bank deposits. According to the new measures announced on May 3, the interest rate on interbank fixed deposits will be 15 percent higher than the rate prevailing for fixed deposits. This step is expected to be a great help to private banks.

With the stabilization of commodity prices, deposits in the

various branch offices of the People's Bank in East China have registered marked increases. According to a recent report, the total amount of deposits throughout the whole East China Area was JMP1,603,900,000,000 at the beginning of April. At the end of the month it was increased to JMP2,939,800,000,000, an increase of 83.29 percent.

The volume of overseas remittances received by the Bank of China also showed an increase of 50 percent in April when 1,126 transactions were handled as against 779 transactions in March. Twenty-eight percent of the overseas remittances sent here in March were deposited in the original foreign currency, but in April this percentage declined to 13 percent because of the stabilization in the value of *Jen Min Piao*. The Bank of China made 7,812 transactions in foreign currency notes during the month of March and 35,600 transactions in April, representing an increase of almost five times. The amount converted showed a corresponding increase.

The local Tax Bureau has meanwhile commenced widespread investigation and registration of tax paying units among industrial and commercial enterprises. A special committee to appraise local industrial and commercial taxes was set up this week. It includes representatives of the Shanghai Federation of Industry and Commerce, the Shanghai General Labor Union, the Bureau of Industry and Commerce and other relevant organizations, who will work under the guidance of the Shanghai Direct Tax Bureau.

Quotations

Following is a listing of representative commodity prices.

	JMP May 3	JMP May 10
Parity unit	5,471	5,391
US dollar (TT)	37,000	37,000
20's yarn	5,050,000	5,200,000
42's yarn	7,600,000	7,750,000
12-lb. cloth	251,000	250,000
Rice, 1st grade	260,000	255,000
Battleship flour	72,500	72,500
Peanut oil	465,000	465,000
Coal briquette	20,000	20,000
Kerosene, ...		
Kuokwang	103,840	103,840
Koo Pan soap	154,000	155,000

Production Records

SCARCELY had the May production drive gotten under way when reports for the preceeding month revealed outstanding production records in all parts of China, according to the *New China News Agency*. As in previous drives, railway workers were among the leaders.

By May Day, locomotive and section crews, one after another reported on the completion of their targets. Noteworthy, even among railway workers, was a Mukden locomotive team which had surpassed its target of haulage by 50 percent by the end of April. Following the lead of the railway men, workers in all other fields were reported making remarkable achievements. Publicly-operated industries in Tientsin struck a happy note to the May campaign by generally overfulfilling their April quotas. One steel mill overshot its assignment by exactly 100 percent.

In Dairen, the Far East Glass Works, which completed its annual plan six months ahead of schedule last year, fulfilled its biannual plan on April 26, in celebration of May Day. As the campaign gains momentum, new production records are emerging. In Tangshan, more than 600 new records have been achieved since industries there began to clear their shops for the production drive. The Shihchingshan Steel Mill near Peking stepped up its pig iron output by 14 percent. Records, achievements and anecdotes have been flowing in from all major industrial cities, and these are said to be only the initial results as the workers prepare for their main campaign.

Trade Union Law

A draft of the new trade union law, which defines the legal status and functions of trade unions in China, has been passed by the Government Administration Council. The draft law will be submitted to the Central People's Government Council for final approval. Any organization or individual may present opinions on the draft to the Ministry of Labor before the end of May and these will be taken into account before the draft becomes law. The text of the draft law has been published for government institutions, union workers, industrialists, merchants and others to study and refer to.

According to the draft, the law is laid down in definite terms that trade unions are mass organizations of the working class organized on a voluntary basis and all employed workers are entitled to belong to trade unions. The main part of the draft law takes up the rights of unions. Among these are the right to represent workers in

taking part in the management of public enterprises and in enterprises jointly run by public and private capital. Unions also have the right to sign collective agreements with management in those enterprises. In private enterprises, trade unions have the right to represent workers in carrying out negotiations with owners, and to take part in labor-capital consultative councils and to sign collective agreements with owners.

Funds and other property of the union necessary to carry out its work are also secured by law. Both public and private enterprises must set aside sums equivalent to two percent of the payroll for unions and supply them with accommodation and other facilities for carrying out their work.

Labor-Capital Relations

SINCE the inauguration of the system of collective agreements between labor and capital, the rate of industrial disputes has fallen sharply, reports the NCNA from Peking. Collective agreements and consultation are reported to be bringing new strength to private industry and mark a new stage in labor-capital relations.

These agreements cover such vital questions as wages, hours, rest, employment and dismissal, safety and welfare. They differ greatly from similar contracts signed in any capitalist country. The fundamental difference is that in China the workers are the leading class in the state. The policy of the government is to protect the interests of the workers and, at the same time, encourage the development of private capital engaged in activities beneficial to the national economy on the general principle of "benefits to both labor and capital," according to an NCNA story which analyzed the provisions of the draft.

In practice, collective agreements are worked out by the workers and the capitalists concerned democratically and on terms of equality and free will. Certain basic principles have been laid down by the government as a guide to the workers and employers.

They include the right of workers to join trade unions and take part in any social and political activities and the right of capitalists to dismiss workers in accordance with the requirements of production. Dismissed workers have the right to 10 days' notice of dismissal and protection by their trade unions if the dismissal is unreasonable. A worker is entitled to dismissal pay ranging from one half to three months' wages. These basic rules also fix a working day of between eight and ten hours, equal pay for men and women on similar work, confinement pay for 45 days and payment by the employer of all medical expenses in the case of occupational injury.

Before agreements are drawn up, it is usual for the local government to invite the representatives of the workers and the local capitalists to form a committee covering the given trade in the city. Representatives of the local labor bureau also normally take part in the discussions, which continue through various drafts and are referred back until general agreement is obtained. The agreements

are subject to ratification by the labor bureau.

In individual factories, the agreements are supplemented by a labor-capital consultative committee represented by equal numbers from both sides, which can settle minor questions on the spot and which enable the workers also to raise their views on production, workers' welfare, etc., without interfering with the rights of management. Such committees, after initial success in Tientsin and Hankow, are spreading to other cities.

Disputes which cannot be settled by means of the agreements and consultative committees are referred to the local labor bureau for mediation or arbitration. If arbitration fails, the decision of the arbitration committee is taken to the people's court. These methods provide a new form of administration in private factories. They remove major objections without violating the rights of ownership. The harmful effects of the conflict of interest between the workers and private capitalists, NCNA continued, which must persist as long as private capitalists exist, are being reduced and the whole process of production gains as a result.

SHANGHAI

Promoting Peace

A CAMPAIGN for 1,000,000 signatures supporting the Stockholm Peace Appeal, which demands atomic war prohibition, has been launched in Shanghai. All Chinese papers front-paged the appeal, declaring that individuals supporting the



The KMT bombings of Shanghai, which reached their peak with the February 6 attack on the city's power installations, brought forth a large number of cartoons in the local press. Top shows Shanghai women rallying to oppose wanton destruction, while lower shows unity of all classes against bombing which is depicted as coming from a US-KMT plane in which Truman is pilot and Chiang the bombardier.

movement could sign and return it to the Shanghai Branch of the World Congress of the Defenders of Peace. Over 12,000 people endorsed the appeal during mass meetings on April 30 and May 1 while celebrating May Day.

The text of the appeal read: "Residents of Shanghai, please sign your names on the appeal for peace. We demand the unconditional prohibition of atomic weapons as tools for large-scale annihilation, and strict international control to ensure prosecution of the decision. We believe that anyone who first employs atomic weapons against the government of another nation is a war criminal. We call upon the peoples throughout the world to sign this appeal."

The Shanghai Branch of the China Committee of the World Congress of the Defenders of Peace was inaugurated on the eve of May Day. Branches in all major cities have been or are being formed throughout the country.

Voluntary Pay Cuts

INCREASING numbers of personnel in the Public Security Bureau have volunteered to have their pay cut in an effort to help the city government overcome present difficulties, according to the local press.

In one security station, more than 50 employees applied for a reduction in wages as their contribution to help the government in its financial difficulties and to support the armed forces in the liberation of Taiwan. Reports of this nature were coming in from branches of the Public Security Bureau in different parts of the city.

The pay-cut movement to which almost every PSB staff member, including the commissioner, responded was reported receiving wide support from the entire security force.

Women's Conference

A SIX-DAY general conference, beginning on May 20, is scheduled to be held by the women of Shanghai. The purpose of the conference is to bring local women closer together and to provide for an exchange of opinions on various topics of the day.

Questions pertaining to present day political, cultural, and educational conditions are expected to be freely discussed by the representatives at the forthcoming conference. Meanwhile, the Democratic Women's League has started a movement to set up children's welfare centers in both city and rural districts.

Shanghai-Moscow Phone

RADIO-TELEPHONE service between Shanghai and Moscow has been officially opened to the public.

The service is available for general use from 4:30 to 5:30 p.m. every day and the charge for a three-minute talk is equivalent to 24.6 gold francs. A 50 percent discount is to be given to government organizations.

Tele-photographic service between the two cities began on April 25 with the sending of a perfect picture, showing Chairman Mao Tse-tung delivering a speech before leaving the Soviet capital, which was received in Shanghai.

HONGKONG

Emergency Regulations

HONGKONG'S almost periodic "reading of the riot act" has taken place again with the ordered enforcement of 16 emergency regulations which have been passed by the Crown Colony's Legislative Council in the past 12 months. Under these regulations, persons found in illegal possession of firearms and explosives are liable to life imprisonment.

Under these regulations, any person in the company of another carrying arms, munitions or explosives is guilty of an offense and liable to 10 years' imprisonment. The harboring of anyone who intended to act or recently acted in a manner prejudicial to public interest is a breach of the emergency regulations.

The Council, under the regulations, is empowered to proscribe any organization in the colony which, in its opinion, is an organization which has among its aims, or is being used for, the spread of sedition or promotion of a general strike or disorder of any kind. The police are authorized to seize anything whatever belonging to or connected with such proscribed organizations.

Trade with China

HONGKONG'S trade with the China mainland is gradually returning to normal, according to the colony's *Ta Kung Pao*.

The paper pointed out that the colony's exports in March to north and central China headed the list of Hongkong's customers. Exports to North China were valued at HK \$41,429,045, an increase of HK\$14,000,000 compared with February.

Central China took merchandise valued at HK\$36,888,789, showing an increase of HK\$6,890,000 from February. Exports to south China amounted to HK\$16,152,238, an increase of \$7,000,000.

Hongkong also took more merchandise from the China mainland in March than in the previous month. Statistics showed that central China exported goods valued at HK\$6,834,259, an increase of HK\$2,130,000 over February, while imports from south China amounted to HK\$17,238,898, representing HK\$6,000,000 more than in February.

The *Ta Kung Pao* pointed out that China's trade with the colony was now being carried out in accordance with the Peking government's policy of prohibiting imports of luxury goods and goods which China herself produced. The newspaper said among the banned imports into China were caustic soda and fertilizers.

Taiwan Trade Falls

TRADE between Taiwan and Hongkong is dropping, resulting in a curtailment of shipping between the two islands, Hongkong reports claim.

Meanwhile, KMT authorities are reported to be tightening control of imports from Hongkong. Import permits hitherto issued in favor of self provided foreign exchange have been suspended to prevent the flight of capital.

Articles of Interest:

New Designs on Asia

A charge that the United States, fearing that the emergence of the new China will lead to similar movements elsewhere in Asia, is planning to establish an "anti-Communist zone for the encirclement and blockade of China" is contained in the April 11 issue of the Observer magazine (Kwan Cha). The article, written by the editorial board of the magazine, says the zone will extend from the Aleutian Islands to India, covering South Korea, Japan, Okinawa, Taiwan, the Philippines, Indo-China, Siam, Indonesia and Burma.

THE article declares America's hostility to new China "was most concretely expressed in the 'recognition' issue" when it attempted to line up Britain and France in a common front to "boycott the Chinese people." This plan failed because Britain's trade interests and India's adjacent geographical position led those countries to early recognition of the new government. More recently, the article adds, the US again "manifested her hostility" over the question of Chinese representation in the United Nations.

Describing the various bases with it declares the United States is trying to build in Asia, the article points out that US aid is still going to Taiwan. Although President Truman declared no more military aid would be forthcoming, it says, "he authorized 32 retired officers to take up jobs under Chiang. The distinction lies in the appointments being not openly made by the US government, but secretly arranged." Meanwhile, economic aid to the island, the article notes, is openly continuing.

In Japan, it continues, the "police force is being greatly enlarged" and, with special police and reserves, has a total strength of 2,000,000. This, it warns, "is the potential Japanese Army." At the same time, the article sees a "Japanese Navy in disguise" in the return to the Japanese government of 14 former Japanese warcraft and the repair of 84 more on the Japan Sea. This, together with the release of top Japanese war criminals and the recent SCAP proclamation that "Japan is entitled to self-defense measures," the article declares, forecasts an early revival of Japanese militarism.

South Korea, the writers state, has become "another anti-Communist base of the Americans." Here, they charge, the United States is "training a puppet army," extending military aid, and economically turning the country into "an American colony."

In the southern Pacific, the article reports, a "Southeast Asia Alliance" is in the making which will be under the "nominal leadership of India, outwardly British, but actually loyal to America." While the British countries are somewhat cool to this scheme, it says, "the American dollar is expected finally to work the trick" through military aid and Point Four Program assistance to the countries in Southeast Asia.

The article asserts that the Philippines and Indonesia are being groomed to fit into the pattern of this American-dominated Southeast Asia Alliance. In the Philippines, it says, schemes have been worked out to supply the Philippine government with military aid for suppression of the local guerilla movement, while in Indonesia, aid is being given Premier Hatta "to suppress the people's forces" in return for greater American economic rights in the country.

"Another American puppet in Asia," the article charges, is Bao Dai, whose regime has been accorded recognition by the US, Britain and France. Despite this and promises of American aid, it notes, the strength of Ho Chi-minh's Vietminh is such that "Bao Dai finds his position very precarious."

Elsewhere on the Indo-Chinese peninsula, it notes, the US is extending aid to Siam's "most reactionary of reactionaries, Pibul Songgram," who is badly frightened by what is happening in China and Vietnam, and is making advances to Thakin Nu, "the reactionary ruler of Burma." However, the latter "is so hard pressed by the Communist guerrillas in his country that he tried to curry the favor of China and was the first reactionary government to establish relations with China." For this reason, "America has not been able to do what it likes with Burma yet, although . . . through the application of the Point Four Program it hopes eventually to gain control of that country."

It is on India, the authors declare, that America has pinned her real hopes—thus "the priority for India in Point Four and other assistance schemes." Here it is a matter of Nehru's weighing his desire for American assistance against his need to "assume the role of a hypocritical progressive to deceive the Indian people." The recent visits of both Nehru and Pakistan's Ali Khan to America, the article says, are part of America's "new designs on Asia."

INTERNATIONAL AFFAIRS

SOUTH AFRICA Anti-Communist Bill

THE South African Minister of Justice has served notice that he was in favor of introducing a government anti-Communist bill. He stated the bill would prohibit "certain activities detrimental to the interests of the Union" and would make provision for declaring organizations promoting such activities to be unlawful. It would also ban certain periodicals or publications.

In reply to the projected bill, the President of the Natal Indian Congress, Dr. S. Naicker, told a May Day gathering in Durban of about 10,000 Africans and Indians that South Africa's anti-Communist bill would be directed against all democrats and would be the "death knell" for 250,000 Indians in the country.

Several days later, the anti-Communist bill had its first reading in Parliament. The bill provided that among organizations that may be declared unlawful is any organization professing by its name or otherwise, or which has done so on the day of the introduction of the bill into Parliament, to be an organization for promoting Communism. The bill confers power on the government to prohibit any gathering of persons at any place when there is reason to

believe the achievement of any of the purposes of an unlawful organization will be furthered by the meeting.

Freedom Day

A PRELUDE to the government "anti-communist drive" has been the growing unrest in the country. Two days before May Day, the government banned gatherings and demonstrations. Large anti-government demonstrations were planned for May 1, which had been declared, "Freedom Day." An organization known as the "Convention to Defend Free Speech" had called on Africans to demand freedom of speech and assembly, better wages and the abolition of racial discrimination laws. Delegates, claiming to represent more than 1,000,000 workers, attended a convention in Johannesburg late in March. They pledged to oppose "the fascist threat to peace, progress and the prosperity of our country."

May Day witnessed police opening fire on stone-throwing "Freedom Day" demonstrators, killing 18 and seriously wounding others, according to official figures. About 100,000 workers stayed away from work and clashes did not start until the evening when police enforced the ban on meetings and escorted non-strikers home from work. Industrial and commercial employers were understood to have dismissed workers who did not report to work on May Day or else to have docked them a day's pay.

The "Convention to Defend Free Speech" declared that the demonstrators "resisted all provocations and observed Freedom Day in a peaceful and orderly manner. The events which followed were not of the seeking of the people or their leaders," it stated.

* * *

SOUTH Africans have been classified into three racial groups, following the passing of a bill by Parliament.

The groups are: 1) European: a person who is obviously European from his appearance, 2) Native: one who is a member of a race indigenous to South Africa or who is generally accepted as such, and 3) Colored: one who is neither European nor native.

UNITED NATIONS Mission to Moscow

SECRETARY-GENERAL Trygve Lie of the UN was expected to arrive in Moscow this week where he hoped to see Premier Stalin about "a new and great effort" to end the cold war. According to reports from Paris, Lie wanted to discuss a plan for periodic meetings of the Security Council in the Big Four capitals to give leaders a chance of "friendly and confidential" talks.

According to Lie, increased world tension was making the UN unworkable. The first step will be to restore the organization as a world platform for negotiation and conciliation. When asked in Paris about Chinese representation in the UN he said: "My talks with the leaders of governments must always be confidential. But it should not be necessary to hide the fact that two questions are in the picture, empty seats at the UN and the Chinese representation question. When we talk about the international situation these two questions have been discussed. The situation is unchanged. No government has committed itself in any respect; no promises have been given."

In Washington, President Truman refused to comment on Lie's Moscow trip. He also refused to reply to questions on Lie's proposal that the heads of state of members of the UN Security Council meet together to reconcile their differences. The president emphasized repeatedly that in his last conversation with Lie they had discussed the world situation in general and their hopes for peace and that Lie was not taking any special message to Premier Stalin.

Reorganization Plan

THE US State Department was still on the record in support of the UN with its present membership. This was the official comment following a straw cast in the wind by US depression-President Herbert Hoover calling for the reorganization of the UN which would exclude the Soviet Union and other "Communist countries." However, it was revealed that the State Department had considered the idea. One official said the Department had for a long time thought about such a proposed reorganization but had concluded that it was not a good idea.

Hoover, who has returned from political obscurity in the past few years, is now considered a Republican elder-statesman and one of the leading spokesmen for isolation. Although first official reaction to his proposal has been rejection, some observers are of the opinion that he has laid the groundwork for a convenient means of Republican prodding of the administration in the future in view of America's present wave of anti-Communist feeling in all fields.



"The white man cannot be expected to give up his supremacy"—Dr. Malan, South Africa's premier.

(From the Sydney, Australia "Tribune")

Ousting the KMT

EGYPT and Ecuador are reported to be holding the decisive votes on the question of getting the Kuomintang out of the UN Security Council. If they should vote with the group which already has recognized the Chinese government the votes would be enough to send T.F. Tsiang and his entourage packing. Of the 11 Security Council member nations five have recognized the Central People's Government. Either Egypt or Ecuador voting with these five would unseat the KMT. However, this also pre-supposed that the five recognizing nations would also vote against the KMT. Up to now, Great Britain, for one, has not committed herself in this manner and has relied on abstaining from voting in favor of the Chinese government on this subject.

In Oslo, Norway's Foreign Minister in a May Day speech declared that his country was prepared to back the People's China in her campaign for representation in the UN as well as other international organizations. He stated that the government now undoubtedly holds the real authority in China.

KMT Charges Rejected

JAKOB Malik, permanent Soviet UN representative, refused to pass on to Moscow a letter containing the accusations made by T.F. Tsiang of alleged Soviet aid to the People's Government of China. Malik returned a note from Trygve Lie which referred to the charges.

In his reply, the Soviet representative said his delegation was "unable to bring to the cognizance of the government of the USSR the letter of a private individual illegally claiming the status of a representative to the UN which was referred to in your note and which contains an unsubstantiated and entirely fictitious slander."

AUSTRALIA

Unions Fight Back

A SPECIAL meeting of the Sydney branch of the powerful Amalgamated Engineering Union passed a resolution to resist the government's anti-Communist bill "with all the power we possess." The General Council of the Federated Clerks Union in Sydney agreed to cooperate with other unions and bodies in a local challenge to the bill. The bill introduced by Prime Minister Menzies proposes to outlaw the communist Party in Australia as well as lay the groundwork for a future drive against "Communist-dominated unions."

Stanley Moran, Treasurer of the Sydney branch of the Australian Waterside Workers Federation, said the Communist Party would fight the bill to ban the party "by strikes and by job action in every factory." At a rally he declared: "You have to stand up now as never before and fight in your factories, at meetings, in streets and halls, for the rights and democratic liberties of the Australian people and the right of the Communist Party to be free." In Melbourne, protest rallies were staged and one group of 2,000 heard speak-

ers denounce the bill as "a hysterical threat against every democratic Australian." Uniformed and plainclothes police mingled with the crowd. Commonwealth security officers were reported to have taken shorthand notes of the speeches.

Labor Party Split

ATTEMPTS to reach an agreement over the anti-Communist bill has led to a Labor Party cleavage which is the most serious of any issue in years, according to some party members. A Labor Party meeting in Canberra to decide on policy gave up following inability to arrive at an immediate decision.

Apparently some Labor Party members were feeling gusts of "Menzies hot 'anti-Communist' breath threatening themselves. Labor opposition leader Joseph B. Chifley accused the prime minister of threatening to use penalties in the bill against Labor Members of Parliament. This statement followed an incident in the House of Representatives when Menzies was asked what the government would do if an election returned it with a majority in the House and a Senate divided equally. Labor Member Ward interjected that Menzies could "declare a couple of Labor senators under his anti-Communist bill." Menzies reply was: "I can think of at least one senator and one member of this House who could be declared."

Under the proposed law, which dissolves the Communist Party, the government also can "declare" other organizations and individual members of unlawful bodies under the bill. Persons "declared" will be disqualified from government service.

US Church Leaders Urge Recognition

EARLY recognition of the Chinese government by the US has been urged by 68 church leaders, most of them prominently associated with Protestant mission work in China for 20 or more years, according to reports from New York. A statement signed by the 68 was sent to Secretary of State Acheson and key members of Congress.

The signers of the document asserted: "Reliable information indicates that a majority of American missionaries in China desire to have our country recognize the present government." And the actual government of China in control of the mainland, they pointed out, is the People's Republic in Peking.

"It is evident that if the US is to hold its place in Asia, we must be consistently aware of the longings and aspirations of the common people in all lands and to shape our policy so as to aid in every proper way the fulfillment of those hopes. Recognition of the People's Government of China would clearly show that the American government is not to be understood as opposing needed changes," the document concluded.

The Hard Way

WHILE the government concentrated on political affairs its economics left something to be desired. Australia exported 91 percent of its pineapple crop last year in order to earn the ever-needed dollars. This resulted in leaving the local market light on pineapples.

It is now reported that the country is importing canned pineapples from Malaya. The early rush for dollars has necessitated importing these pineapples at double the price of the Australian product.

JAPAN

"Definite Action"

AN early attempt to ban the Japanese Communist Party was becoming more of a possibility as observers saw growing indications of Japanese restiveness under the occupation. A few hours after denouncing the Communists for trying to lead their nation "into an even greater disaster than her recent defeat," General MacArthur disclosed three anti-occupation incidents.

According to MacArthur, the nature of the Communist Party in Japan raised the question "whether it should any longer be regarded as a constitutionally recognized political movement." Should coming events warrant "definite action," he had the utmost faith that the Japanese people would proceed with wisdom.

Anti-Occupation Acts

IN northern Honshu, 1,000 students at Tohoku University shouted down General MacArthur's educational advisor, Dr. W. C. Eels, and forced him to abandon a lecture by climbing on the platform. Brigadier Courtney Whitney, government section chief, announced that he had received 85 telegrams in 48 hours from provincial bodies protesting against the local taxation bill before the Diet. Diplomatic circles opined that the telegrams sent to Whitney were a silent protest against his group continuing to "advise" the government on such matters. Still another instance of Japanese defiance to occupation personnel was disclosed when a Tokyo court sentenced 12 Japanese to three years' hard labor for obstructing a military jeep during recent anti-taxation demonstrations.

Japanese Bases

GENERAL MacArthur has announced that the occupation forces were maintaining their Japanese bases in a state of a most complete readiness for any eventuality. He made this statement in a letter to the Soviet member of the Allied Council for Japan, replying to the Soviet Delegate's protest note against the reconstruction of Japanese naval and air bases.

The Soviet member, Lieutenant-General Derevyanko had alleged reconstruction and modernization of former Japanese bases and quoted reports from the official occupation

newspaper, *Stars and Stripes*. He asked MacArthur for information regarding the bases and said that any reconstruction would violate the Far Eastern Commission's policy. Derevyanko also quoted reports that Yokosuka had been reconstructed into a powerful naval base and objected to what he said were published statements in *Stars and Stripes* that the Japanese naval bases of Yokosuka and Kume, together with those on the islands of Okinawa and Guam, offered a "formidable combination for forward operations in the event of hostilities in the Far East." Published reports also stated that airfields had been constructed from "Hokkaido, most northern Japanese island, to Kyushu in the south, with complete runways to accommodate the largest bombers," according to the Soviet member of the Allied Council.

In reply to Derevyanko, General MacArthur claimed that his "professed anxiety" over Japan was "quite groundless." Japan was completely disarmed and no Japanese forces existed, according to the US occupation chief. Meanwhile, reports from Tokyo revealed that a large number of "demobilization" and "repatriation" organizations in Japan have been transformed into safe havens for former Japanese servicemen. According to the Japanese paper, *Labor Front*, three former generals and 51 military officers are now serving in the First Demobilization Bureau. Out of 148 people in the Bureau, for assisting in repatriation, there are 56 former generals and military officers. The various branches of this bureau are said to have a large number of former Japanese officers and privates in their employ. These organizations also are reported to be keeping a complete file regarding information on all demobilized Japanese servicemen as well as their present residences.

Training Koreans

THE US Army in Japan is to train South Korean military officers, according to an announcement of General MacArthur's headquarters in Tokyo. The Koreans are to remain in Japan for a three month period.

Thirty-three Korean officers, ranging in rank from lieutenant to colonel, have already arrived in Japan to observe the combat training methods of infantry, artillery, engineer, signal, ordnance and medical units of the American Army.

Vested Interests

MORE and more, certain sections of the population are beginning to have a vested interest in a continued American occupation. They include a number of government officials who find it much more convenient, politically speaking, to blame the Americans for unpopular regulations, such as tax laws, which they must enforce on their own people. The group also includes a minority of Japanese who make a far better living working with and through the Americans than they would in an independent Japan. Finally, there are the industrialists and their plant managers who prefer a rigid military occupation to a

government which must play politics with labor and the peasants. However, numerically speaking, the Japanese who would like to see the occupation continue are definitely in the minority, according to reports from Japan.

A reported interview with the manager of one of Japan's biggest chemical plants explained the attitude of this group. "In one plant, we had a strong labor chief," he said. "The police were unable to do anything about him. Military Government called in the authorities and told them to get rid of him. So they threw him out. Recently a Japanese labor official sponsored a lecture which was slightly leftist. An American officer was present and reprimanded the labor official. We haven't had any leftist lectures since that time."



Drawing by John Taylor; reprinted from the New Republic.

Ignoring Ideology

THE House of Councillors recently adopted a resolution concerning the promotion of trade between Japan and China. The resolution called upon the government to "exchange economic missions with new China and to reopen direct trade speedily."

The resolution pointed out that the importance of China to Japan's position as a trading nation could be seen from the fact that the greater part of the Japanese pre-war trade with Asia, which amounted to 65 percent of her total trade, was conducted with China.

The resumption of trade with China is a "fundamental solution to the serious domestic depression and the unsatisfactory progress of our foreign trade" and the government should not be bound by "political or ideological issues but should regard the question from a purely economic standpoint," the resolution advised.

Business Demands

A CONFERENCE of 23 American Far East diplomats and economists received a request from Japanese business experts to free Japanese foreign trade from all restrictions. The conference also was asked that Japanese agencies similar to those about to be set up in the US be allowed to open in Thailand, Burma, Pakistan, India, Indonesia and Korea, and that Japanese ships should be permitted to operate overseas. Most favored nation treatment and powers to include new trade agreements with Indo-China, Indonesia and other countries where Japanese trade is now suspended were among the other requests passed on.

Meanwhile, the government has reached an informal understanding with General MacArthur's Headquarters on the distribution of 40,000,000 yen worth of US aid during the 1950 fiscal year. Top priority was being given to the electric power and shipbuilding industries. Financial aid also was scheduled to go to the coal, steel and chemical industries as well as to banking and financial organs. Small and medium enterprises would receive some help, it was reported.

BURMA

US Capital Requirements

ALTHOUGH it was not known whether American capital would necessarily want guarantees in Burma it would want American property to be safe from confiscation, it would want it to be possible to get profits out of the country and it would want to be reasonably certain that a profit could be made, according to the new US Ambassador to Burma. He stated, that as elsewhere, American capital in Burma wanted reasonable assurances that investments would turn out all right.

In presenting his credentials, the US ambassador stated that he hoped some way might be found by which America could make practical contributions toward developing and strengthening the country. There was an ever increasing interest on the part of the people of the US in the problems of the people in the Far East, according to the American ambassador. He stated that the outstanding development since he left the US was the work done by the Griffin mission, composed of a number of experts who spent 10 days in Burma. During this time they were reported to have learned what types of economic and technical assistance would interest Burma.

Law and Order Needed

IN Rangoon, following the survey of Burma's needs by his mission, Allen Griffin, chairman of the US State Department survey group, said that Burma's greatest need was the restoration of all administrative services, including law and order.

Griffin, a Monterey, California, publisher, whose group has been surveying the military and economic needs of southeast Asian countries, said his

committee would generally recommend financial aid for Burma, which, he said, would benefit the country immediately.

The US would not hand over the money to the Burmese government for use entirely as the Burmese pleased, Griffin promised.

Political Loan

THAT Britain was gravely concerned with events in Burma is no longer denied. Puppet Prime Minister Thakin Nu was being looked upon in some quarters with askance. Dollar skimpy Britain was soul searching on the proposed Burmese loan by itself and other Commonwealth countries. Said the Daily Telegraph, such a loan is "indisputably political."

The same paper showed editorial concern over the entire Burmese situation. In weighty words it went on to say: "With a large-scale Communist insurrection inside Burma itself, with Chinese provinces overrun along an extensive border, and with Indo-China (along another border) subjected to a Communist war more formidable than that in Burma, there are obvious arguments for helping a government which is friendly in disposition towards the Commonwealth."

"It is however, worth consideration whether we have not given too much weight to the good intentions of the existing regime in Burma and failed to look closely enough at their actual achievements... The fact remains that the rebellion shows no sign of subsiding and the government itself has just had to postpone elections a year further for this reason. It is also disturbing that the Burmese trade union congress adopted a Communist program at a May Day meeting," said the paper.

The Way Out

UNHAPPY over the Nu government policy which, the Daily Telegraph claimed, was obstructing foreign investment, the paper had two solutions. One would be for a reconciliation with the Karan autonomist movement, "who now find themselves so strangely allied to the Communists," which would serve as a stabilizing force in Burma. The other solution, which struck at the economic heart of the Burma muddle, was a plea for "some sign that the anti-foreign bias of Burmese politicians was being modified by experience." The concern over this aspect was in reference to the need of encouraging foreign investment in Burma, a theme which was expounded several months ago by the British Ambassador at Rangoon before the Burmese Chamber of Commerce.

The Daily Telegraph showed visible concern for both the Burmese government and prospective British investments. Like British government policy it was on the horns of a dilemma, not wishing to increase the "worries of a weak Burmese government," while, at the same time, it felt that "it is no help to it and may involve serious losses to ourselves if we ignore the true position."

MALAYA

More British Troops

WHILE news of fresh clashes between British security forces and guerillas reached Singapore, Britain announced the reinforcement of her forces in the colony by at least 3,000 men now serving in the Middle East. These fresh troops follow the 26th Gurkha infantry from Hongkong and two RAF squadrons as combat reinforcements in the guerilla-infested jungles. A total of 2,300 marine commandos left Hongkong on May 3, for service in quelling the Malaysians.

In the Mura area of Johore State, a police sergeant and special constables were ambushed while traveling in police vehicles. In the Raub area of Pahang State, 15 guerillas armed with Bren and Sten guns attacked a road patrol of Malay troops.

John Strachey, erstwhile British "Communist," now Minister of War and Colonial Secretary James Griffiths are expected to arrive in Singapore around the end of the month to see British troops in action against the insurgents. The visit was also to give the security forces and their leaders evidence of the government's determination "to carry through their task in Malaya."

According to British figures, the insurgents, never reckoned at more than 5,000 strong, have pinned down for nearly two years 14,000 British troops, 73,000 regular and auxiliary police and six RAF squadrons.

Rubber and Tin

MALAYA'S gifts to the British Empire, rubber and tin, came up at a recent meeting of Commons in London when left-wing Labor member Emrys Hughes suggested the Malayan rubber companies be nationalized. It was estimated that about 500 rubber companies were operating in Malaya at present. Hughes' argument was that "in view of the fact that pressure is being brought on the government to make rubber a strategic material," nationalization of these companies was in the national interest.

Referring to Malaya's tin mines, Hughes asked for a listing in the official Parliament report of Malaya's 81 companies with the total profits made last year. Despite a constant Conservative chant of "withdraw," Hughes declared: "I withdraw nothing. Is not the interest aroused in this question sufficient evidence for the minister to publish in the official report the full list of profits made by people who have never been in Malaya at all?"

Meanwhile, it has been revealed that several tin mines have closed down for lack of workable reserves and others may have to follow suit within the next few years, according to the annual report of the Chief Inspector of Mines in Malaya. Terrorist activities halted tin prospecting in 1948 and since then prospectors worked only near where security was adequate. The report said that for the orderly development of

the tin industry the Malayan war must be brought to an end quickly and areas believed to be tin-bearing be made available for prospecting.

INDO-CHINA

US to the Rescue

BAO Dai's newly formed cabinet was being bolstered by American military aid. Marshall Plan Administrator Paul G. Hoffman openly stated: "Unless we step in we are going to lose Indo-China. Apparently the US was seeing red in every nook and cranny of Asia for Hoffman added that unless America developed a suitable program for the French-Bao Dai government, India might face trouble later on.

America's cards were on the table and all talk of whether the French or Bao Dai would be in charge of administering US aid was no longer important. Fresh from its defeat in China, America apparently was going to make use of part of the \$100,000,000 fund which was left of its China aid and sink it into Indo-China. That the French were far from the masters of the situation was made quite clear by Hoffman when he said: "We should be in Indo-China today with a program because the French are not getting ahead as fast as they would like. Unless we step in we are going to lose Indo-China." The problem of how America would lose something it didn't have was not worrying the Marshall Plan Administrator at the moment.

The first formal allotment of military aid to the shaky Indo-China regime was to be to the tune of \$15,000,000. However, this was not expected to be the last for, based on previous experience, one such allotment often leads to another.

Horse-trading in Paris

SECRETARY of State Acheson engaged in "all-day talks" with French Foreign Minister Robert Schuman in Paris prior to the announcement of US aid to Indo-China. Following French pleas for America taking a large share in the cost of the war in Indo-China, Acheson was reported to have broadened the field of discussion by urging the need of a less tepid attitude about the cold war. Acheson was reported to have frankly replied that he was by no means opposed to more US aid to Indo-China but it was impossible for him to ask Congress for more contributions unless France at the same time was willing to make greater sacrifices than before. Acheson urged what he was reported to have called a "revivication" of the anti-Communist attitude in France.

The French were playing a game which has been tried before. Prior to the Acheson-Schuman meeting, Paris reports freely predicted a French request for \$500,000,000 to help fight the war against "Communist" forces in Indo-China. Seizing upon America's pre-occupation in propping up forces besieged by "communism" the world over, Schuman was quite blunt. Either the US would give France "substantial and prompt aid" or France might have to end her efforts to hold the "western strategic line in Indo-China."

Full Text of Liu Shao-chi's Speech on Labor Day

Comrades:

With great elation we celebrate the first May Day since the founding of the People's Republic of China. Except in the liberated areas, in past years the majority of the Chinese toilers not only did not enjoy government protection but were strictly prohibited by the reactionary governments from celebrating their own festival.

They could only celebrate or pass their holiday under the watchful eyes of reactionary troops, secret agents and police and in self-sacrificing struggle.

But today as the Chinese working people celebrate May Day, the situation is entirely different.

The Central People's Government has decided that May Day shall be one of the most important official festivals and has directed that factories, mills, government institutions, schools and the People's Liberation Army troops observe the day as a holiday. The people's troops and police, so far from preventing the people from holding celebrations and parades, will themselves join the people in the celebrations and parades. It is the duty of the people's government to protect that laboring people and ensure that they can celebrate their own May Day undisturbed and with good heart. In other words, this is the first time in history that the majority of the Chinese working people are celebrating their own holiday in freedom and joy and under the protection of their own government. How can we here and the Chinese laboring people all over the country fail to be proud and elated by all this?

Comrades, what does this change mean?

It means that the great people's revolution of China is victorious, that the laboring people of China have been liberated, that the regime of the reactionary classes which oppressed us and despised the laboring people has been overthrown by the people's forces, and that the laboring people have established a people's regime with themselves as its foundation. This is the first and greatest victory of the Chinese laboring people in history. We celebrate this greatest victory! We celebrate May 1, Labor Day, of 1950! We celebrate the liberation of the Chinese laboring people!

Comrades, why is May 1, Labor Day, worthy of such solemn celebration by our country and people?

It is because the world of man and even mankind are the creation of labor. Labor is the foundation on which human society exists and develops. Workers are the creators of civilization. Therefore, labor must command the highest respect in the world, workers must command the highest respect in the world, and Labor Day must become a day most deserving of celebration by our people and our country. Labor Day is a festival of solidarity between us workers and all other laboring people, a festival of international solidarity of the workers and the laboring people throughout the world. On this day, we must with solemn ceremony honor all that the workers have created, celebrate all that the workers have achieved by their labor, thank the workers for all the means of production and life and the means of enjoyment of culture and art given by them to mankind, and inspire the people to the highest enthusiasm for further labor and creation. At the same time, we give our fraternal salute, with the greatest enthusiasm, to the working class and laboring people of all the countries in the world, first and foremost the working class and laboring people of the Soviet Union!

The Chinese people's revolution is victorious and the Chinese working people have been liberated, but the ideas and habits of paying respect to the social parasites who never work but live on the labor of others and of despising work and workers have existed for thousands of years in Chinese society, and are still alive. In celebrating May 1, Labor Day, we must resolve henceforth to wipe out these utterly mistaken notions and habits which have done great injustice to the working people. We must give the laboring people the honor that is due to them, especially the labor heroes and inventors who have made important inventions and innovations, and we must show our just contempt for the social parasites who never work but live on others. This is one of our new moral standards.

This change that is now taking place in our country and occurred much earlier in the Soviet Union and the People's Democracies is really

Liu Shao-chi, whose speech in Peking on the occasion of the first May Day (Labor Day) since the establishment of the new government is reprinted in full in these columns, is honorary president of the All China Federation of Labor. He is also one of the vice-chairmen of the Central People's Government and a member of the Central Committee of the CCP. He is generally considered one of the leading policy makers of the Chinese Communist Party. An early associate of Chairman Mao Tse-tung and long-time member of the CCP, he has long been active in the party's labor work. He was one of the organizers of the Ping-Han Railway Strike, the mass strike in Shanghai following the May 30 (1925) Incident and the anti-Japanese strike in Shanghai in 1931. A native of Hunan, he is now 52 years old.

the greatest change in the history of mankind. The Chinese people will complete the change step by step and, by their own labor, will gradually fashion a future for themselves of boundless splendor, as the people of the Soviet Union have done. There are perhaps at present quite a number of people who cannot perceive the great significance of this change, but as time goes on people will realize more and more clearly the magnificent prospect that is opened up by the change that is beginning now in our country. Clearly this great change and the creation of a magnificent future are possible only under the leadership of the working class and the Communist Party. For this change, the Chinese working class has become the leading class in the country. And precisely because the working class has become the leading class in the country and is carrying out its historic mission under the leadership of the Communist Party, the working class is able to unite the people throughout the country and ensure the transition to a state of wealth, strength and prosperity and the step by step transition of the country from new democracy to socialism.

But, comrades, while we celebrate the people's victory and see the future of unlimited splendor, we must not forget that we still face

temporary difficulties. The Kuomintang reactionaries are still clinging to Taiwan, Choushan, Kinmen and other islands. Assisted by American imperialists, they are bombing a number of our cities and blockading a number of our seaports. We must, therefore, pursue our campaign for liberating Choushan, Kinmen and Taiwan, and must also advance our troops into Tibet. We must wipe out the numerous Kuomintang bandits in a number of the newly liberated areas in the rear. At the same time, millions of people affected by natural calamities must be relieved by the state with huge sums of grain, as a result of last year's calamities in several provinces. As our national economic system was formerly of a semi-colonial nature and could not stand on its own feet, depending for its existence on and working in the service of imperialism, feudalism and bureaucratic capitalism—besides being seriously undermined by prolonged war—naturally great pains and efforts are required to achieve the transformation of the national economic system into one that is independent, resting on the people and serving the people, and for healing the scars of war. Precisely because the former, old economic order is already destroyed while the new order is not established, serious dislocation and anarchy emerges in various social and economic enterprises. And when the false and superficial prosperity of certain enterprises created by the inflation and rocketing prices of the past 12 years comes up against the present situation of prices, with their tendency to stability, temporary difficulties of slack markets and retrenchment of production arise. As a result of these objective difficulties, and certain shortcomings and errors in our own work, a number of workers have become unemployed and certain difficulties have arisen for industries and commercial concerns. The overcoming of these difficulties depends on joint efforts of the government and people of all circles. And they can be fully overcome.

Why is it that our present difficulties are such that they can be completely overcome?

Because they are difficulties that have occurred in the course of victory and progress. And victory and progress contain within themselves all the factors for overcoming the difficulties. If we can skilfully use these factors and create the necessary conditions, we can overcome the difficulties. Hence, ours are temporary difficulties.

For the present we do, indeed, have difficulties. This is known to all. But by analyzing the situation, we can clearly see that the basic conditions for the development of China's economy and industry have either already been created or are being created. We thus have sufficient confidence that we will overcome the present difficulties, and gradually improve the situation. I will now list some of these basic conditions:

FIRST. Imperialism has been driven from China and the many prerogatives of the imperialists in China have been abolished. The customs and foreign trade policy of new China has become an important means of protecting the development of the industry of the new China.

That is to say, we have the key to China's front door in our own pockets instead of in the pockets of the imperialists and their running dogs as was formerly the case. China's industry from now on will not suffer from the competition of the cheap commodities of the imperialists. China's raw materials will first of all supply the needs of her own industry. This clears away one of the biggest obstacles that has hindered the development of China's industry for the past hundred years.

SECOND. The people's war of liberation is coming to a victorious end. The People's Liberation Army recently successfully landed on Hainan Island in the face of the enemy's strong fortifications and routed a large number of enemy troops. The experience of liberating a whole island—and the whole island will be soon liberated—can therefore be applied to operations against Taiwan and other islands occupied by the enemy. After the liberation of Taiwan, enemy bombing and blockade will naturally come to an end. Military and administrative expenditure by the state will be greatly reduced. And it will be possible to increase greatly the volume of investment in economic reconstruction. Our country will be turned completely on to the path of economic reconstruction. All this we can clearly foresee.

Today, the Northeast is already completely turned to economic reconstruction. In 1950, the Northeast People's Government, in addition to providing the Central People's Government with 2,600,000 tons of coarse grain to support the war, for relief of food shortages in deficiency areas and for the development of production, has set aside in its budget the equivalent of 3,990,000 tons of grain (calculated in terms of millet south of the Great Wall) for investment in economic undertakings in the Northeast. According to the report of Kao Kang, Chairman of the Northeast People's Government, industrial production in the Northeast amounted in 1949 to 35 percent of the gross industrial and agricultural output. In 1950, the percentage will increase to 43 percent. The industrial production of public enterprises in the Northeast this year will be 193 percent of the previous year.

Agricultural production will be 137 percent of the previous year. In 1949, the number of workers employed in the Northeast public enterprises increased by 240,000. The real wages of the workers increased on the average by 27 percent. In 1950, the state will receive in profits and depreciation from the Northeast state run enterprises an amount equal to almost half the total revenue of the Northeast. The burdens of the Northeast peasants were lightened in 1949 as compared with 1948 and will be further relatively lightened in 1950. Private industry and commerce in the Northeast also developed. For instance, the number of private industrial enterprises in Mukden increased by 23 percent in 1949. The number of workers employed in these enterprises increased by 18 percent. There are now no unemployed workers in the Northeast. A shortage of labor power is felt. The standard of living of the people of the Northeast is beginning to improve. The demand for all sorts of consumer goods has greatly increased, and the market has greatly expanded. These things which have already emerged in the Northeast will also emerge in the areas south of the Great Wall in the not distant future.

This shows that the future development of China's economy and industry is wholly bright.

Apart from the Northeast, vast areas south of the Great Wall have now begun to turn to economic reconstruction. The people's government is reviving the economy at a number of key points. The equivalent of 3,930,000 tons of grain were invested by the Central People's Government in 1950 in economic enterprises. Adding the investments, both north and south of the Great Wall, the sum invested by the people's government in economic enterprises amounts to 7,920,000 tons of grain, or approximately US\$700,000,000. Apart from these investments, the state bank is extending big loans to public and private enterprises. As we all know, these investments and loans are made by the people's government, while we are still in the difficult conditions of war and natural calamity. When the war ends, and finance and prices are completely stable and military and administrative expenditure is greatly reduced, it is not hard to imagine to what great heights the capital investment which the state will be able to apply to economic enterprises will soar. Without doubt, it will promote the swift rehabilitation and development of the economy.

THIRD. Land reform has been completed in the Northeast and in North China, except for Suiyuan. In Honan province and some other areas it will also be completed this year. In various newly liberated areas, land reform in accordance with the decree of the people's government will begin this autumn. Land reform throughout the whole country will be basically completed within the next two or three years. In this way, the productive potentialities of the rural districts will be set free, supplying the cities with adequate grain and raw materials and the problem of markets for industrial development will be solved. Taking the example of Northeast China again, the sale of cloth in the Northeast

was 800,000 bolts in 1947, 1,200,000 bolts in 1948, 3,200,000 in 1949 and in 1950 is estimated to reach 9,000,000 bolts. Two million five hundred thousand bolts have been sold during the first quarter of 1950. In other words, after land reform the peasants' production has increased, their standard of living has improved, their purchasing power has greatly risen and the market for industrial goods has expanded considerably. We have created or are now creating the most fundamental and important conditions for stimulating industrial development. The present shrunken purchasing power in the rural districts will be swiftly revived and will gradually increase after the completion of land reform and after two or three reasonably good harvests, so that industry and commerce in the urban areas will flourish. This is beyond any shadow of doubt.

FOURTH. At the present time, the financial and economic work of the state has been unified, the state revenue and expenditure are approaching balance, and we shall shortly be able to make them balance, and currency and prices are becoming stabilized. This is in the interest of the majority of the people throughout the country.

Apart from the victories of the People's Liberation Army at the front, this is the greatest achievement for the people of the Central People's Government since its inauguration. Historically, Chinese finance and economics have never been unified. For many decades, state revenue and expenditure were never balanced and the reactionary governments issued a large volume of banknotes and contracted large domestic and foreign loans every year to maintain their existence. Financial and price stability were unknown in China for the past 12 years and the people had to pay heavily for the losses suffered through inflation.

The people's government, however, carried out important measures and attained its results in a very short time, with the war not yet over and with food shortages and with the imperialist blockade. This is something which no reactionary government could possibly achieve and in fact could only be achieved by a genuine people's government. This proves that our slogan for the unification of China is not an empty slogan, but one full of serious political, military and economic content.

This is an extremely important step forward for our country. With this step, the conditions have been created for the rehabilitation and development of all legitimate industrial and commercial and other productive enterprises, so that capital will not be used for speculation or squandered in inflation, but used for legitimate industry, commerce and other productive enterprises.

Naturally, some sufferings and difficulties are inevitably bound to arise in this period as the new, progressive situation is born. They are like the labor pains just before childbirth. In order to balance the budget and stabilize prices, the people's government has to be very strict over collecting public grain and taxes, issue public bonds and strictly cut down expenses. The only alternative was further inflation and fluctuating commodity prices. But the strict collection of public grain and taxes and the issue of public bonds have added to some of the burdens of the people in rural and urban areas and led to difficulties for many. As a result of economy in expenditure, several million army personnel and government functionaries are continuing to live under the frugal supply system and it is impossible or hardly possible for them to look after their families, many of whom have to live a hard life or even a half-fed life. Thus difficulties arise for them too. This is one of the expressions of the labor pains. Out of these pains emerges a new situation wherein the financial budget is approaching balance and commodity prices are approaching stability.

With the emergence of this new situation of stable prices, the kind of hoarding that was done in the past ends and speculators have to put on the market the goods which they hoarded. Many consumers who bought and stored away considerable quantities of consumer goods in time of inflation do not, for the time being buy consumer goods, even though they have money in hand. They keep their money in their pockets instead or deposit it in the bank. Goods cannot therefore be sold quickly and so prices go down. Cash deposits in the banks increase greatly and the banks find it hard to loan the money out. A number of factories are over-producing and many shops cannot sell their stocks of goods. They find it difficult to keep going and so the phenomenon arises that part of the workers become unemployed. Such are the sufferings and difficulties which inevitably grow from commodity prices approaching stability and moreover they are unavoidable.

With the emergence of the new situation, some pain and hardship might certainly be reduced if all the doctors and assistants in the maternity hospital of our people's government were first-rate and if there were sufficient equipment and medicines for midwifery. But the fact is that not every doctor and assistant in the hospital is first-rate, and the equipment and medical preparation work are not sufficient. In their various creative activities they can only work and study at the same time, step by step drawing conclusions from their experience and adding to it. They have thus not been able to avoid some avoidable suffering and hardship. In other words, there are shortcomings and errors in the work of many of our comrades. Serious efforts must be made to correct these shortcomings and errors. We hope that the mass of the people will develop criticism of the work of the government and

put forward proper suggestions so as to ensure that the government personnel will correct their shortcomings and errors and so reduce unnecessary sufferings and difficulties.

Yes, there are shortcomings and errors. There are sufferings and difficulties. But, after all, a new situation is emerging before us, in which revenue and expenditure are approaching balance and prices are approaching stability. Comrades! Countrymen of all circles! Clench your teeth, continue exerting your efforts and after some time the critical phase will pass. Our sufferings and difficulties are a purely temporary phenomenon. This is beyond doubt.

* * *

FIFTH. The international conditions for carrying out our construction work are also very good. After the end of the war and the unification of the whole country, we shall urgently need a peaceful environment to carry out our economic construction. In the diplomatic sphere, the people's government, of course, earnestly pursues a policy of peace and fights for the defense of world peace side by side with the Soviet Union and the New Democracies.

It is very clear that the imperialists are extremely hostile to the liberation of the Chinese people. The American imperialists are still helping the Chiang Kai-shek gang in Taiwan and engaging in all sorts of conspiratorial and disruptive activities against new China. Therefore, the people throughout the country and the People's Liberation Army must enhance their vigilance, resolutely liberate Taiwan, consolidate national defense and be prepared to counter any possible imperialist provocation.

However, the imperialist camp of aggression, headed by the United States, has already met with and will continue to meet with the resolute resistance of all peace-loving people throughout the world. The strength of the camp of peace and democracy, headed by the Soviet Union, has seen unprecedented growth. If the imperialists dare to stage a provocation and launch a war adventure, the result will be the complete doom of the imperialist system. As a result of the signing of the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance, we have acquired a powerful ally. As Chairman Mao Tze-tung said, this will free us from restraint in carrying out construction work. We also receive low-interest loans and the help of specialists from the Soviet Union. Moreover, we cooperate with the Soviet Union in carrying out several enterprises which we would have been unable to start by ourselves in a short period of time. This will reduce the difficulties arising from lack of capital and experience.

Summing up the above-mentioned favorable conditions, it can be seen that without doubt our present difficulties will be overcome one by one, our economic situation will gradually improve after a short period of difficulties and will change fundamentally for the better in two or three years.

From this analysis, we can see clearly what should be the present tasks and the direction of effort of the Chinese people. The Central Committee of the Communist Party of China, in the 38 slogans which it issued for May Day, has clearly and correctly posed the tasks on all fronts and I shall only give some explanations of some of them.

* * *

1) The liberation of Taiwan and Tibet, the wiping out of all bandits and enemy agents and the consolidation of national defense.

People's Liberation Army troops at the front line should prepare actively for the advance to liberate Tibet and Taiwan and other enemy-occupied islands, and thus end the war throughout the country. People's Liberation Army troops, public security organizations and troops on duty in the rear must, as swiftly as possible, wipe out all bandits and secret agents and safeguard social order in order to enable the people to engage in production with peaceful minds. At the same time troops in the rear should also engage in production and general education, raise the level of their military technique and consolidate national defense. These are the foremost demands of the people at the present moment. People all over the country, including the people of Taiwan and Tibet, should also support and cooperate with the People's Liberation Army to fulfil these honorable tasks with their utmost energy. But now we want to say a few words to the Kuomintang generals on Taiwan and other islands and to the rulers of Tibet: Stop your futile resistance immediately, sever all relations with the imperialists and send representatives to negotiate with the People's Liberation Army. Either cross over to the People's Liberation Army, or lay down your arms in coordination with the People's Liberation Army's operations to liberate these places. Only by doing this, will it be possible for the people's government to pardon your past crimes. Only thus will you have the barest reason for asking the people's government to forgive your past and observe your future actions. This is your last chance to obtain the people's pardon.

* * *

2) Readjustment of industry and commerce and the relations between public and private enterprises.

The Central People's Government, in accordance with the Common Program and the directions of Chairman Mao Tze-tung, will take certain concrete measures to readjust industry and commerce and the relations between public and private enterprises.

This will permit the organization and planning of the economic life of our country in the present circumstances, so as to enable the derangement and anarchy in the relations between public and private enterprises and between different branches of enterprises to be overcome.

The people's government must render assistance to those private productive enterprises which can be maintained, which are beneficial to the national economy and the livelihood of the people, but which are facing difficulties. The proprietors and the workers of those enterprises also must jointly do everything in their power to ensure that these enterprises may be maintained and wait for conditions to improve.

It is extremely important to centralize and allocate all the orders for and processing of goods of the state institutions and state enterprises in the most appropriate manner, in order to readjust industry and commerce and the relations between public and private enterprises and overcome the present difficulties. The amount of these orders and volume of processing are very great and defects and losses have very often occurred owing to lack of proper centralization and allocation. Our military and administrative institutions and enterprises must take every possible step to draw up one by one their budgets of orders and processing for given periods, especially the budgets for large orders and processing, and hand them to the industrial, commercial and trading institutions, together with their own views. At the same time, the industrial, commercial and trading institutions in different places must demand from their local publicly and privately-owned productive enterprises factual reports on the conditions of production. They must investigate these conditions and report them to their superiors. This will enable our central industrial, commercial and trading institutions to centralize and allocate the various state orders and processing properly and to adjust the production of the various enterprises properly. In this way, the state institutions, on the one hand, can avoid certain unnecessary losses and, on the other, regulate the market and adjust production, extend relief to many productive enterprises which are facing difficulties and stimulate the development of new productive enterprises. In regard to state orders and processing, it is necessary to give consideration to the industries and commerce in Shanghai which are facing particular difficulties.

* * *

3) The turning over to other trades of certain kinds of production and the way out for private capital.

There is no future for enterprises which served imperialism, feudalism and bureaucratic capitalism in the past, such as those making high-class consumer goods and goods used for superstitious purposes, business dealing in commercial speculation, and financial business dealing in usury and stock market speculation, and they should turn to other trades. Some industries which are suffering from temporary over-production, such as the cigarette, match and soap industries temporarily have to reduce their production or turn to other trades. Some industries will have earnestly to make changes in their products to suit the needs of the peasants, before they can expand their market. Moreover, because speculation has ceased, large sums of idle capital are available in society to be invested in production.

Fundamentally, these are without doubt good phenomena. Without doubt, also, they will cause some harm. The reduction of output, the suspension of work, the turn to other trades, will inevitably bring about some unemployment and switching over to other occupations. At present there are some people raising the question: I am willing to change to another trade but what to turn to? Will the people's government please tell me, what are the enterprises which may be operated? It is correct to raise this question.

In order to answer each one of these questions concretely and precisely, there must be concrete investigation and study. I can here only make a reply along general lines. That is, all those enterprises can be operated which properly serve the needs of the people, especially those which properly serve the needs of the peasants and which cannot at present be operated by the state or which, though put into operation, are still small in number. Communications and transport and those branches of industry which serve the revival of national economy at key points as well as medical enterprises can also be operated. Apart from these, the state will sign contracts under suitable conditions with private persons and permit them to operate the exploiting and refining of certain special minerals, the building of certain factories, the installation of certain power stations.

The people's government has not at present forbidden private persons to set up any enterprises which are beneficial to the people and do not exercise a dominant influence over the people's livelihood. The sphere of operation of private enterprises is therefore very wide. Certain inappropriate phenomena of competition between state and private productive enterprises, and inappropriate conditions in ordering and processing goods should be corrected in the work of readjusting industry and commerce.

Labor-capital relations may also be directed into normal channels by labor legislation of the state, collective agreements and labor-capital consultative organs. Hence, private capital is not without a way out. Of course, the enterprises should be conducted honestly and there should be no fear of expending some energy and capital in the operation of those really beneficial to the national economy and livelihood of the people. The people's government will give the necessary facilities and direction

to those entrepreneurs who are honest and do not withhold from spending energy and capital in production and will help them to avoid planlessness and to succeed in their enterprises.

4) Relief for the people affected by natural calamities, and for unemployed workers.

As the result of the efforts made by the people's government and the broad masses of the people to transport grain, we can certainly say that the food supply situation this year is assured.

The wheat harvest is now only 40 odd days away. The present moment is critical for relief work and, therefore, relief workers in such places should not hold the relief grain sent to them by the government in reserve. They should distribute it swiftly in accordance with the policy of organizing the people in the affected areas to help themselves in production and thus enabling them to pass through the difficult period. This year's food shortage period will certainly be passed through, without an iota of relief grain from foreign countries, as the result of the efforts of the people themselves and largescale organizational work of the people's government. Having helped the Chiang Kai-shek gang to kill several millions of Chinese people, the American imperialists suddenly became philanthropic and said they would come here to relieve the people in the affected areas. The purpose of their so-called relief is that they want to conduct subversive activities among the people of the affected areas of China. The Chinese people welcome really well-intentioned assistance from abroad, but as to the "good intentions" of the imperialists, we have learned enough. We do not need these people to come to conduct subversive activities.

Since certain economic enterprises must unavoidably contract, suspend work or shift into other occupations, all possible relief must be given to unemployed workers in all major cities. This is absolutely necessary and may not be deferred. The Central People's Government has decided to allot a certain amount of grain and money and, at the same time, has asked the industrialists and merchants, as well as employed workers, to contribute some money as a relief fund for unemployed workers. The Ministry of Labor of the Central People's Government is now drafting measures for the relief of unemployed workers and is preparing to set up relief departments and employment agencies for unemployed workers in all major cities. Before the measures of the Central People's Government are made public, temporary relief measures may and should be taken in Shanghai and certain other cities. Former governments of China never helped the unemployed workers, but the people's government, although it is still confronted by difficulties, will decide on practical relief measures for unemployed workers and will carry them out.

5) Future land reform.

The land reform should be carried out this autumn in those parts of the newly liberated areas where preparatory work has been done. But these parts should not be too extensive. In the situation that victory has been basically won, only the landlords' land and much of the common land should in future be confiscated and distributed in land reform to landless and land-poor peasants and landlords will also be given a similar share and the rich peasants' land and property be untouched. Other properties of the landlords will not be subject to confiscation and distribution with the exception of those means of production needed by the peasants. These points will be regulated in detail in the forthcoming new agrarian law. On the basis of past experience, the land reform in future should be carried out with leadership, preparation and order. Disorder cannot be permitted. Therefore, we must not be impatient to complete the land reform in all newly liberated areas, but must carry it out step by step, period by period and area by area. If we can mainly carry out land reform throughout the country in the coming three years, that will be quick enough and a very big success.

6) Serious correction of shortcomings and errors and the training of cadres.

Since the field armies of the People's Liberation Army began the advance to the South and the Northwest on April 20 last year, the entire Chinese mainland and its 300,000,000 population, with the exception of Tibet, has been liberated within this very brief period. The territory under our occupation is vast and the various features of the work are heavy and complicated. We have insufficient experienced cadres and large numbers of new cadres have joined. All these factors with no time for training have caused many shortcomings and errors to arise in the course of attaining these great achievements. We must have an overall view of the question. That is, we should see both the achievements and the shortcomings and errors in the work, both the hard work and the defects of the cadres, and under-estimation of any aspect should be avoided. Now people throughout the country are acclaiming our achievements and at the same time are demanding that we correct the shortcomings and errors which have already occurred. We should face these shortcomings and errors squarely and correct them. The Central Committee of the Communist Party of China has already decided to develop criticism and self-criticism and to train cadres. After these steps have been taken, we believe that our shortcomings and errors will be corrected.

The most fatal among our mistakes is that of merely enforcing orders. We have a considerable number of cadres who, although striving to fulfil the tasks assigned to them by the state and the Party, which is good, do not take the trouble to execute them according to the policies of the state and the Party. They do not fulfil those tasks within the limits of strictly pursuing the policies of the state and the Party, but adopt a rude manner of work, taking no heed of the actual situation and its possibilities, unwilling to consult the local people humbly but simply fulfilling the tasks. The result is that tasks have been fulfilled, but the people have suffered losses which were entirely avoidable. Such simple enforcement of orders is quite serious in the work of levying public grain, collecting taxes and selling Victory Bonds, and it has aroused the dissatisfaction of many persons. If this is not corrected, we shall be estranged from the masses. Before long, we shall carry out agrarian reform over a vast territory and it will be difficult to do this work well without winning time for training cadres.

Concerning such an erroneous style of work among our cadres, the Central Committee of the Communist Party of China has every year been giving instructions emphasising the need for its correction. But, even after it has been corrected repeatedly, it may recur.

The Communist Party now has a membership of 4,000,000, nearly half of whom have been members of the Party for just two and a half years, two years, one year or even a few months. During the past year and more we have taken over large numbers of old personnel to work in government institutions. In this entirely new situation, we are required to undertake large-scale training work immediately, and first of all the training of cadres. The main task will be to review our work and correct authoritarian styles of work and, secondly, to correct other mistakes and shortcomings.

Comrades! If our style of work is better, our shortcomings and mistakes less, and our work better done, than we can the better unite with the people throughout the country and encourage their enthusiasm; further strengthen the people; enable our country and people to tide over the present difficulties more quickly and create a bright future. All these are objectives which we set ourselves to achieve as we celebrate May Day this year.

Long live May Day—the great day of unity of the laboring people throughout China and throughout the world!

Long live the unity and cooperation of all nationalities, all democratic classes, all democratic parties and groups and all peoples' organizations throughout China!

(Translation by New China News Agency)

LETTERS

(Continued from Page 177)

woman down and told her how to get another train, south-bound, for Hengshan. She smiled and cried out with wholehearted delight as the train moved slowly away:

"Comrade, thank you very much! You Communists are too kind!

Returning to my seat I could not help smiling, for I am not a member of the Communist Party. I have only learned from them some new ways of dealing with matters.

Next day, at 8:00 a.m., the King-Han train No. 138, which I had boarded at Hankow, reached the station of Chumati in South Honan. Two peasants came aboard the train. One was a bit more than 20 and the other just under 30. They sang the new song

解放区的天，是明朗的天 (The sky in the liberated area is brilliant) which is quite familiar to me, and I joined in. When we finished, I asked them, "Where are you off to?"

"Chengchow," the younger one answered.

"For what purpose?"

"To sell hog bristles."

"Where's your native town?" I enquired.

"Junnan hsien."

"Hasn't land reform been completed in your village?"

"Yes, it has."

"What rank are you?"

"I'm a poor farmer," was the reply.

"How many mow of land did you get?"

"Five mou."

"Do you like the Communists?"

"Thanks to the Communists!" he exclaimed.

Then touching the older one he went on:

"Both of us were employed by a rich landlord

before. We worked all the year and could not make enough to support our families. But now we have land to cultivate, food to eat, a house to live in and clothing to wear. I keep a herd of swine, my wife makes beancurd, and my brother has a vegetable garden. We work, we produce. Our condition is far better than during the KMT's regime."

At half past ten in the evening I reached Kaifeng. It only took me a little over one day from Changsha to Kaifeng, including stops at Hankow and Chengchow totalling about 10 hours. Each person on the train had his own seat. There was no crowding or disorder at any time during the whole journey. Certainly in the past I never saw such excellent management and cooperation.

CHANG SHU-CHI

Kaifeng
April 28, 1950

The Review's English Lesson CXXX

Quoting Original Material

LAST week, we discussed the use of quotation marks as usually employed in stories, or wherever a person's actual words are quoted. This week, we shall consider another use of quotation marks. Often, in journalism, the writer of an article or news story wishes to quote the exact words of either another news item, or of a speech. As an example, we shall take part of a news story which appeared in the *North China Daily News* of May 8, which deals with the present problem of large surpluses of agricultural products in the United States:

"... Public attention was focussed on the mounting surpluses problem by a recent Congressional storm over a 40,000,000 bushel surplus of potatoes.

"The Secretary of Agriculture, Charles Brannan, warned Congress, which is responsible for the farm price support programme, that unless something were done, about half of the surplus potatoes would have to be destroyed.

"Potatoes, unlike some other farm commodities, will not keep too long in storage.

"Much of the surplus was disposed of by selling the potatoes back to the farmers at one cent per 100-lb. bag for livestock feed, by giving them away to welfare institutions and school lunch programmes, and by selling 100,000 tons in overseas markets at one cent a bag—plus transport costs.

"While the Department of Agriculture was struggling to cope with its potato and egg surpluses, thousands of tons of Canadian potatoes and shiploads of Chinese eggs were imported into the United States.

"Newspaper cartoonists had field days with the surplus situation, depicting a worried Uncle Sam seated before heaped-up surplus potatoes and being presented with some of the 100 million pounds of surplus butter..."

The above example shows one or two points to be noticed about quoting from another source. For one, the whole news story, which in its original form ran over a column in length, is not quoted—only a part was used. Therefore, the quotation begins and ends with a series of three dots, or periods, to show the omission of part of the original.

The paragraphs given above, however, although taken out of the middle of a story, are themselves consecutive. Suppose it was desired to omit the second paragraph, as given above, from the quotation: in that case, the first quoted paragraph would end as follows:

"... surplus of potatoes..." and the quotation would continue with the third paragraph.

"Potatoes, unlike some other farm commodities..."

Notice particularly the use of quotation marks. They should be used at the beginning of the first paragraph quoted, and should begin each quoted paragraph, as well as ending the last

paragraph. Usually, however, if the quoted passage is of some length, it is set in different type (sometimes in heavy type, sometimes in smaller type than the article containing it), or set in a narrower column than the rest of the article. This serves to distinguish it from the body of the article, and in that case, quotation marks are unnecessary. (They are used above, however, for illustration.)

In the above quotation, the Secretary of Agriculture is quoted indirectly, not directly. Suppose the original paragraph had read as follows, directly quoting Mr. Brannan:

"The Secretary of Agriculture, Charles Brannan, warned Congress, which is responsible for the farm price support programme, that 'unless something is done, about half of the surplus potatoes will have to be destroyed. . . .'"

This is an illustration of a "quote within a quote." The whole quotation from the original is enclosed in quotation marks; then if there are any quotations in the original, these are enclosed in *single* quotation marks. (In the rare case where this quotation itself contains another, double quotation marks are used to set it off.) Notice also the change in tense that takes place from indirect to direct quotation.

Returning now to the second paragraph, as originally quoted above, suppose the one who wants to use it decides to leave out something. The three dots, showing an omission, are used here also:

"The Secretary of Agriculture, Charles Brannan, warned Congress... that unless something were done, about half of the surplus potatoes would have to be destroyed."

The question of British and American spelling differences comes up here; notice that the British "programme" is used in the quotation, rather than the simpler American "program." This is a slight matter; in such cases, it would seem permissible to change the spelling, unless the one who quotes the material wishes to emphasize such differences of spelling.

It is extremely important to be accurate in quoting; the quotation marks act as a sign to the reader, telling him that what is enclosed within them were the exact words used by another writer or speaker. But the writer, if he is dishonest, can, by skilful omission of parts of the original wording (filling in with the sign of omission: . . .), give the reader an impression contrary to that intended by the original speaker or writer. Thus, someone may give a speech in the United States about present conditions in China. His speech may be favorable on the whole; but it may contain some words of criticism. The reporter can then write about the generally favorable position of the speaker, or he can omit all favorable remarks and report only the criticisms, thus giving the reader the impression that the speaker was wholly unfavorable toward conditions in China.

China *weekly Review*

密勒氏
評論報

Outlook for China's

SMALL INDUSTRIES

REWI ALLEY

THE CHANGING COUNTRYSIDE

DUNCAN C. LEE

"THE SONG OF THE RED FLAG"

a play about China's workers

*Full text of LIU SHAO-CHI'S
SPEECH on LABOR DAY*

MAY 13, 1950

JMP 4,000

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